

Abolition of Zamindari

TWO ALTERNATIVES

By

CHARAN SINGH, M A , B SC , LL B., M L A
PARLIAMENTARY SECRETARY TO HON'BLE THE
MINISTER FOR REVENUE, UNITED PROVINCES

/

K I T A B I S T A N

ALLAHABAD

FIRST PUBLISHED IN 1947

W: 5-8(x)

117

1862

PRINTED BY J. K. SHARMA AT THE ALLAHABAD LAW JOURNAL
PRESS, ALLAHABAD AND PUBLISHED BY KITABISTAN, ALLAHABAD

PREFACE

The two main problems that face India to-day are Industrialization of the country and re-organization of its agriculture. The co-ordination of small, medium and big industries *inter se* and their correlation to agriculture are other questions that call for application of constructive statesmanship and all that is best in our leadership.

As for agriculture on which three-fourths of the Indian people depend directly for their livelihood, it may be pointed out that land system lies at the root of all organization in this sphere. The existing system has cramped both men and crops. It has now few protagonists left in the country and has outgrown its utility, if ever it had any. It has stood for economic inequality and political reaction, it has to go.

It is going, but the question is—what should take its place? The answer to this question depends on the type of civilization that we hope to develop. We may nationalize our land and collectivize agriculture. This means elimination of exploitation and of rule by landed aristocracy or oligarchy, but results in substitution of a society where individual initiative has little or no scope and where the place of the old privileged classes—the zemindars, financiers and the lawyers—is taken by a new class, viz, the managers of factories and farms and their superior and subordinate officials up and down the ladder. The kolhoz (collective farm) may lead to economic equality, but it does not necessarily lead to political equality, on the contrary, it engenders dictatorship. Collectivization—cum—mechanization means a big economic unit worked by big machines; it means corres-

pondingly so much less liberty to the worker on the land and his subordination to the urban industrial worker. In the Bolshevik scheme of things, the leading role is assigned to the proletariat which shall wield political power, the land worker or the peasant is to play only a secondary part.

Or, we may, instead of centralizing the ownership of the means of production in the hands of the State, make the worker the owner of his tools and the means of production with or upon which he works, i.e., make the tenant proprietor of his holding. Just as decentralization in the field of politics is our aim, so in the sphere of economic activities decentralization happens to be the correct ideal. Only one thread can run through all our life, political or economic. Panchayat of ancient memory shows us the way on the political or administrative side and the Chinese industrial co-operative on the side of manufacturing industry. Logically, the picture of the agricultural co-operative of independent peasant producers rises in our mind to fill the gap in agriculture. These three alone can form lasting bases of economic and political democracy. Then alone the worker or peasant can come into his own. Certainly a strong centre representing the reversionary interests of the community as a whole, carrying on certain essential functions and wielding residuary or exceptional powers to intervene and co-ordinate, is not inconsistent with the panchayat and the co-operatives. Not to digress; collectivization or mechanization of agriculture on big scale is by no means the last word in social evolution. We have to find a solution in consonance with the needs of our situation and with our traditions. I know the climate of opinion prevailing in certain intellectual circles of the country is not congenial to my views, in raising my voice against collectivization it seems I am wading against the stream—against fashion, but public interest demands that I should

I shall not anticipate the contents of the book further

It is unnecessary on my part to say that my views do not reflect those of the U. P. Government (to be precise, they have not yet formulated any); still it is better to say it than not

I must state here unreservedly that for the most part of my account of the Soviet system I am indebted to Mr. Leonard E. Hubbard. Mr. Hubbard writes from personal knowledge, he states facts and in his opinions he is neither a blind admirer of the U.S.S.R. nor its inveterate hater. He treads a middle line successfully, giving praise where due and assigning blame where necessary. My thanks are due to other writers also whose names and works have been mentioned at the proper place

Lucknow

CHARAN SINGH

October 3, 1946

*Economics of Social Agriculture, 1939

CONTENTS

CHAPTER I

	PAGE
LAND TENURE	1
Conception of Property—Peculiar Nature of Landed Property—Land Tenure in India—Defects of the Existing System—Two Alternatives	

CHAPTER II

THE RUSSIAN SYSTEM IN ITS MAKING	23
Land Tenure in Pre-revolution Russia—The Revolution and the N E P —Voluntary Collective Farming—Forced Collectivization	

CHAPTER III

THE RUSSIAN SYSTEM OF TO-DAY	51
The Kolhozy Articles of Association—Machine-Tractor Stations—Agricultural Administration—State Exactions and Taxation—The Sovhozy or State Farms	

CHAPTER IV

SHALL WE ADOPT THE COLLECTIVE FARM?	84
-------------------------------------	----

CHAPTER V

PEASANT PROPRIETORSHIP—THE ONLY REMEDY	127
--	-----

CHAPTER VI

ESTABLISHMENT OF PEASANT PROPRIETARY	162
--------------------------------------	-----

	PAGE
Promotion of Tenants to Ownership—Landlord to be Compensated—Rate of Compensation—Mode of Payment—Landlord's Objections Answered—Waste Land. Its Acquisition, Reclamation and Settlement.	
CHAPTER VII	
MAINTENANCE OF PEASANT PROPRIETARY	192
CHAPTER VIII	
REGULATION OF THE SIZE OF HOLDINGS	204
Consolidation: Abolition and Prevention of Large Property—Abolition and Prevention of Uneconomic Holdings—Need of Industrialization—Law of Inheritance to be Changed—Co-operative Farming—Concluding Remarks.	
APPENDIX	255

CHAPTER I

LAND TENURE

CONCEPTION OF PROPERTY

Man's ideas on property—perhaps, the most stubborn of all social canons—have altered considerably during the last three-quarters of a century. The first Great War particularly acted as a sharp dissolvent of a state of things wherein many elements, economic and social, had already been working a change. Increasingly, under the pressure of philosophical and political criticism, property has come to be looked upon less as an absolute individual right and more as a social function which must serve common interests and satisfy the needs of the whole national community. The Weimar constitution of Republican Germany issued on August 11, 1919, was the first to proclaim the new view as an established principle in its Article 153 which said — “Property carries duties with it. Its use shall at the same time be a service for the general good.”

PECULIAR NATURE OF LANDED PROPERTY

Although in practice, the new view was more extensively applied in the industrial field, because the somewhat brutal features of the Industrial Revolution called for increased public control and the organized pressure of the workers helped to secure it, yet theoretically the change of outlook in Europe made greater strides with regard to land ownership than other forms of property. Social philosophers have continually pointed out how inadmissible it is that land, which was

1862

not created by man's efforts yet is the primary source of his existence, should be owned despotically. Obviously it cannot be gainsaid that the private ownership of land confers upon its owner a power over his fellow-citizens which, when exercised, is greater than the power possessed by the owner of any other form of private property. We must live on the land, and if the power of the owner were absolute this might be made impossible. Because of this, land ownership has always been separately treated in law and the fiction established that land is held for the King. That is also the *raison d'être* of the various Tenancy Acts throughout India and similar enactments in other parts of the world which seek to control and circumscribe the power of the private owners of agricultural land.

There is still another reason why all economists have been inclined to treat land as a special kind of property. The land area of the earth has been estimated at 58 million square miles, of this area the polar regions claim 7 millions and the deserts 5, while only about 29 million square miles are considered fertile agricultural land. Land, therefore, partakes of the nature of a monopoly, of which there can never be an unlimited supply. If individual countries be considered, some appear still to have a super-abundance of potential fertile land, while in others, called old countries, practically every square inch of soil that can be used has been brought under cultivation. "The stock of land in an old country", explains Marshall, "at any time is the stock for all times; and when a cultivator decides to take in a little more land to his business he decides in effect to take it away from somebody else's business." But as population of new countries increases, fresh land is being brought under the plough and land tends to become the limiting factor of production in agriculture everywhere, which circumstance distinguishes it from every other industry. Capital in manufacturing industries, being a pro-

duct of labour, can practically be increased indefinitely, but not land

Land possesses another distinctive feature also, it is almost the only asset that improves with use. Shells, guns and battleships are rapidly wasting assets and so are minerals, factories and all kinds of machinery, but land is there still—the better and the more valuable by sensible use. Its exploitation can go on indefinitely without deterioration, whereas mineral resources can be exploited only once. Unlike other forms of Capital it is not evanescent or subject to wear and tear or depreciation, and therefore, need not be renewed or replaced. “The relative inexhaustibility of the land”, says Dr Hsiao Tung Fei, “gives the people a relative security. Although there are bad years, the land never disillusiones the people completely, since hope for plenty in the future always remains and is not infrequently realized. If we take the other kinds of productive work, we shall see that the risks involved are much greater. The sense of security is expressed in the following statement made to me by one of the villagers —

“Land is there. You can see it every day. Robbers cannot take it away. Thieves cannot steal it. Men die but land remains”

“The incentive to hold land is directly related to the sense of security. The farmer says ‘The best thing to give one’s son is land. It is living property. Money will be used up but land never.’”¹

Living creates wants, and it is through production alone that they can be satisfied. No wonder, then, that at the basis of all arts and industries lies agriculture, the art of producing raw materials from land, without which neither life nor civilization is possible.

“It is evident”, says Van Der Post, “that society is dependent upon agriculture for its food and the law

¹ “*Peasant Life in China*” (1938), pp. 181-82

materials of its clothing. Man must be fed in order to live and to be able to perform his duties whether they be in the field of agriculture or in any other field of human endeavour, and only agriculture can provide him with the necessities which will satisfy his hunger. Similarly, man must be clothed and here again it is mainly agriculture which provides the raw material from which his clothing is made"²

In addition to providing food and clothing for man, it yields him the various basic raw materials to meet his other needs. Obviously, the prosperity of a nation must largely, if not solely, depend on the use that it makes of this free gift of nature, on the way that land is utilized. The significance, therefore, of agriculture is self-evident, it defies description. No truer statement of the rôle that agriculture should enjoy in the body-politic of a country has been made than by the "*Businessmen's Commission on Agriculture*" appointed in 1926 by the National Industrial Conference Board, Inc., and the Chamber of Commerce of the United States of America, to report on the condition of agriculture in the United States and measures for its improvement. While summarizing its conclusions on the question as to how the agriculture problem has to be approached the Commission says —

"Agriculture is not merely a way of making money by raising crops, it is not merely an industry or a business, it is essentially a public function or service performed by private individuals for the care and use of the land in the national interest and farmers in the course of their pursuit of a living and a private profit are the custodians of the basis of the national life. Agriculture is, therefore, affected with a clear and unquestionable public interest, and its status is a matter of national concern calling for deliberate and far-sighted national policies,

² "*The Economics of Agriculture*" (1937), p. 5

not only to conserve the natural and human resources involved in it, but to provide for national security, promote a well-rounded prosperity and secure social and political stability" (p 20)

LAND TENURE IN INDIA

It will be readily conceded that of the many factors contributing to the well-being or otherwise of the agricultural industry and of the innumerable forces influencing the development of society in any country, the system of land tenure, that is, the method of distribution of land among its citizens and their relations with one another and with the State, including their right to dispose of land by law, or, in other words, the system of legal rights which defines the relations between men and soil is singly the most important. Clearly, that system of land tenure alone is ideal which allows for exploitation of land in the national interest, leads to an equitable distribution of agricultural income and ensures social peace in the country-side and that nation alone will prosper which recognizes that "the custodian of the basis of the nation's life," viz, the tiller of the soil—the man who makes the unwilling soil yield its boons for the good of his fellow-men—and his welfare, are the worthiest objects of its solicitude. The first volume of the Report of the Statutory Commission says of the cultivator —

"It is he who clears and fertilizes the land. The vernal exuberance in which it is clothed and the landscape views which it wears, arise from his exertions. It is he who supplies the necessities of life, infuses activity and vigour into commerce and keeps up the vitality of the whole country. His welfare and the welfare of the country are so much linked with each other, that it behoves everyone to interest himself in his cause."

The existing system in India, as we shall see, is far from the ideal, it is "antiquated, wooden and antediluvian." Neither the welfare of the cultivator nor that of

the country is served by it, it is positively injurious and mischievous

As we have to deal with the problems of the present, it will not be very useful to enter into the details of the land system that obtained at various periods of the immeasurably long pre-British span of Indian history, still the underlying principles will bear reference

In the ancient times the law was laid down thus by the sage Jaimini, in his *Pūṛva Mīmāṃsā* (VI 7 3) — “The king cannot give away the earth because it is not his exclusive property, but is common to all beings enjoying the fruits of their own labour on it. It belongs to all alike” Sāvaia Swami commenting on this passage says — “The king cannot make a gift of his kingdom, for it is not his as he is entitled only to a share of the produce by reason of his affording protection to his subjects” To this Sāyan adds — “The king’s sovereignty consists in punishing the guilty and protecting the good. Nor is the land his property, for what is yielded by land as the fruit of labour on the part of all beings must be enjoyed by them as their own property”

The King was entitled to a share of the usufruct of the land in the occupation of his subjects not because he was the owner, but as a price for the protection afforded to life, liberty and property and because common expenses of the community had to be met. The Revenue Settlements were made with the village community which was held collectively responsible for the payment of the total demand. The soil, though in law it belonged to all, that is, to the people, was in practice allotted to its members by a particular village community for separate enjoyment to be held so long as a fixed land tax assessed and realized by the Village Council or Panchayat was paid to the State. But in addition to the levy of taxes, the State, again in the common interest of the community, exercised through the village Panchayat a further right—and this right is the crux of the

matter Whenever the holder failed to cultivate the land or to cultivate it properly, the State intervened by evicting or mulcting him We would refer the reader to the *Artha-Shāstra* of Kautilya, the only comprehensive and detailed account available of the ancient Indian Land system and agriculture Says Kautilya —“Non-cultivation of land by the peasant or his letting it out to a third person renders it liable to confiscation The king may either, if he chooses to confiscate, settle the holding with other persons or continue it with the defaulter and realize a fine”³ Again in Chapter ten of Part three of his monumental work, he lays down that “the owner of a plot of cultivable land, if he or the land is not affected by any calamity, shall be liable to a fine of rupees twelve if he begins to reside elsewhere and does not sow seed therein at the proper time”⁴ In order that the standard and efficiency of cultivation may be maintained in the general good, Manu also, a far earlier and even greater authority, entitles the king to inflict similar penalties upon the defaulter⁵

Thus strangely enough we find the principle embodied in Article 155 of the Weimar constitution of Germany, viz, “the cultivation and exploitation of the soil is a duty of the landowner towards the community,” fully recognized and acted upon in Hindu India “The soil belonged to all alike, neither to the king alone nor its holder absolutely, but as all could not cultivate the whole soil of the realm jointly nor could the king do so on their behalf, it was allotted to individuals with extensive rights granted to, or inhering in, them therein, and the king as repository of the general well-being and the only executive of the whole community, reserved or had got delegated to himself certain rights—rights which over-

³ Part II, Chap I, Sh 12-14

⁴ Sh 15-16

⁵ VII, 243 and IX, 45

rode all individual interests as and when common weal dictated "The right of cultivating particular portions of the earth", observes Sir George Campbell in his *Essay on Indian Land Tenures* (Cobden Club Papers), "is rather a privilege than a property—a privilege, first, of the whole people, then, of a particular tribe or a particular village community and finally of particular individuals of the community. In this last stage, land is partitioned off to these individuals as a matter of mutual convenience, but not as unconditional property, it long remains subject to certain conditions and to reversionary interests of the community, which prevent its uncontrolled alienation and attach to it certain common rights and common burdens"⁶

This is, however, only the purest and most dominant aspect of the Hindu land system, there was another strain discernible side by side. Jaimini's sutra was clear and the distinction between the political rights of the crown and the individual rights of ownership was well understood, yet the king sometimes, as the "lord of all" (vide *Manu* VIII,39), did make actual gifts and grants of lands to his preceptors or to Kshatriyas in reward of spiritual services or conquests for him, or to his officers in lieu of salaries. It is thus that India's first landlords were created and peasants on the gifted or granted land degraded to tenants. In the Buddhist period we read of estates of 1,000 Karisas (probably acres) or more farmed by Brahmins, and of one estate being cultivated by as many as 500 ploughs with hired labour. The law books of this period, therefore, also contemplate non-cultivating landlords letting out land for cultivation against a share of the produce⁷. These jagirs or large estates, however, were so few and far between that they did not mar the general picture presented by the country

⁶ Cited by Baden Powell, Vol I, p 219

⁷ (*Āpṣṭamba* 1 6, 1820) II 11 28 (1)

as a whole India continued to be a country of small holders or peasant proprietors, the actual tiller still faced the State—through the village Panchayat, of course. The idea held up in the Buddhist scriptures, as we have seen in those of the Hindus, was that of the landholder not divorced from his land, but cultivating it himself. This is proved by the fact that a social stigma attached to the 'hireling' who was ranked below the slave. A *Jātaka* laments as a symptom of social decadence the sorry spectacle of sturdy peasants leaving behind their own barns at home to toil as hirelings on the estates of the royal capitalist⁸

As we pass on to the Muslim period, we find that, while under the Hindu Law a peasant could be ejected for inefficiency, available historical documents do not mention any such provision, although they do, in the Afghan period, record cases of peasants being flogged for failure to produce adequate crops, not so much because it was in the interest of the community to produce crops, but because owing to this failure they could not pay revenue to the State. Secondly, instead of dealing with the actual tiller of the soil and having the revenue collected directly by salaried government officials, intermediaries began to be increasingly employed for the purpose. Akbar's Zabt or Regulation system aiming at direct settlement with the individual cultivator did not apply to the whole of the Moghul Empire, and, in the areas in which it did, could not resist the encroachment or intrusion of middlemen everywhere. The intermediaries consisted of the petty ruling Hindu chiefs, who became vassals of the Muslim overlord, the village headmen with whom settlements of their respective villages were made, the farmers or contractors called

⁸ (Vide Dr R. K. Mukerjee's Note on *Indian Land System* appearing in Volume II of the Report of the Bengal Land Revenue Commission, 1940)

Taluqdars in Oudh and Ijaredars elsewhere who engaged to pay for the year a lump sum for a village or larger area, and the assignees or jagirdars who were high officers of the State and whose salaries were charged upon the revenues of the areas respectively assigned to them and out of which they had frequently to provide a prescribed force of cavalry for the sovereign's needs. Though the Moghul kings were very solicitous of the well-being of the cultivators and from time to time issued various instructions against undue exactions being made from the peasantry and though the country flourished, as perhaps it never did before, yet unfortunately and paradoxically enough, the Moghul period saw the introduction of intermediaries on a large scale in the land system of India who were, later on, to prove the bane of the country. Perhaps, they were a necessity of the times. There was one relieving feature, however, about this class of intermediaries, viz., all these grants, engagements and assignments endured only till the death of the king or that of the jagirdar, whichever event happened earlier, they had to be renewed by the king to the jagirdar's heir or by his successor to the throne to the old jagirdar, as the case might be. Grants usually passed from father to son, but in law renewal could be refused and was, in actual practice, refused in many cases where proper grounds existed. Howsoever it may be, we find in the last days of the Moghul Empire a gradual "transformation of a heterogeneous body of chiefs, farmers and grantees into a class which under British rule was to become a homogeneous body of landlords"⁹

This class which on the advent of the British rule already held the bulk of the country in its hands and enjoyed practical freedom in its relations with the peasants was, however,—although, as we have seen, all offices in the Moghul times tended to become hereditary—still far

from being the owner of the soil of the peasants within their small jurisdictions "The Talookhdar was little more than an hereditary revenue-contractor His right was the right to all the just rents paid by the actual occupants, after satisfaction of the Government claims His property was the rent minus the revenue of a particular estate This Talookhdaree right, a right of collection, was distinct from a proprietary right in the soil The Talookhdar, who paid to Government the revenue of a large cluster of villages, had, perhaps, a proprietary right in some of these small estates, perhaps, in none The proprietary right in most instances lay with the village communities"¹⁰

To dispossess the zamindar or Taluqdar, therefore, of his historical zamindari or taluqdari, as did happen often times in the Moghul days, was not—and, for the matter of that, should not be to-day—to deprive him of his household and *Khas* lands, but only to assign to another the profitable employment of collecting from the cultivators the revenue assessed on their holdings and retaining a commission on the revenue so collected For, they had simply the functions that in some parts of India the lambardar performs these days

The British traders themselves appeared on the scene as zamindars in the garb of the East India Company. Their interests coincided with those of the intermediaries and, as political power passed into their hands, they turned the *ijaredars*—the tax-gatherers and officers of the Moghul period—into full-fledged owners and, consequently, turned the cultivators into tenants Revenue paid to the State through the Taluqdar or Zamindar now became rent—revenue multiplied manifold—payable to him as owner In the first settlement of the Ceded and Conquered Provinces, known as the Settle-

¹⁰ *A History of the Sepoy War in India, 1857-58*, John William Kaye F R S

ment of the N W P (as the U P was then called) ordered in the time of Lord William Bentinck and carried out by R M Bird, it was the main effort of the English officers to bring the actual occupants of land into direct relationship with the Government and no intermediaries between the Prince and the Peasant were recognized. That was the proper view to take, it was in consonance with the history of the problem and accorded well with the interests of the country. But, a quarter of a century later came the fateful 1857 which changed the theory. "It is admitted now", writes Kaye, "even by men who were personally concerned in the great work of the settlement of the Northern India, that it involved a great political error. It was undoubtedly to convert into bitter enemies those whom sound policy would have made friends and supporters of the State. Men of the old School had seen plainly from the first that by these measures we were sowing broadcast the seeds of future trouble"¹¹. After the Rebellion this political error was set right and the next settlement made with the Talooqdars and the Zamindars, while the actual tillers of the soil were left largely to their mercy.

DEFECTS OF THE EXISTING SYSTEM

In this measure the Britishers saw a means of consolidating their rule—and their expectations have been amply justified—but, what is still worse, as traders became rulers, the revenue demand was instantly increased. In fact, in the first decades it was publicly auctioned in Bengal and settlement made with the highest bidders who happened to be, in most cases, merchants and usurers. The State squeezed the intermediaries who in turn squeezed the tenantry. Whatever might have been the defects of the land system of the period immediately preceding the British rule they were relieved by the pos-

sibility of removal and dismissal of the intermediaries, if they abused their power, and by the central fact of agriculture of those days, viz, that the supply of land was much larger than the demand for it. The aim of the Government and the intermediaries—the would-be landlords—, therefore, was to keep peasants on land, not to turn them off it. With conferment of hereditary rights on the contractors and assignees, with the destruction of Indian industries which forced vast numbers of the workers and artisans to take to agriculture and which took away the subsidiary occupation of hereditary agriculturists themselves, and also with the absolute increase in population, the relieving features have disappeared. Not only that, but the changed circumstances have led to hideous rack-renting and a grinding down of the masses with a nicety and perfection associated only with machines of iron and steel.

Broadly speaking, the land system of British India may be divided into three main classifications —

Ryotwari, where the land revenue is assessed on individual pieces of land and directly upon the cultivator subject to periodical revision, *Mahalwari*, where all the inhabited part of the country is divided into portions with fixed boundaries called *Mahals* or estates and all the proprietors of a *Mahal* are severally and jointly responsible for the payment of the sum assessed by the Government on the *Mahal*, the amount being subject to periodical revision as in the case of *Ryotwari*, and the *Permanent Zamindari* where the assessment is fixed on estates (as in *Mahalwari*) in perpetuity with hereditary rent collectors called proprietors, and not with the actual occupants. The permanently settled estate system covers 25 per cent of the area and prevails in most parts of the provinces of Bengal and Bihar, about one-half of Orissa, about one-third of Madras and smaller proportions of the provinces of Assam and United Provinces. The temporarily settled estate system accounts for 39 per cent and prevails

in the United Provinces, nearly the whole of the Central Provinces (but not Berar), about a fourth of the province of Orissa and in some areas in provinces where the permanently settled estate system prevails. The *Ryotwari* system comprising about 36 per cent of the land prevails in the rest of the country.

All the three forms of land settlement have given rise to a number of complicated problems. "For instance, in the *ryotwari* tracts there has been a steady increase of rent-receivers with the result that the cultivating proprietors are becoming cultivating tenants. In the Punjab alone the number of rent-receivers has increased during the last decade from 626,000 to 1,008,000. Similar change is taking place in other provinces. In the zamindari tracts, there has been a remarkable growth of numerous intervening interests between the actual cultivator and the superior landlord. The landlords and these intermediaries reap the benefit of the rise in agricultural prices and of such land improvements as may be effected either by their tenants or by public bodies"¹² In the U P, the extent of lands described as 'Sir' and 'khudkasht' (representing land held by proprietors in cultivating possession) is 5.96 million acres against 26.92 million acres held by various classes of tenants who are occupancy-right-holders. Corresponding figures for Bihar are 3.46 and 20.36 million acres respectively. In India as a whole, as much as 70 per cent of the total area under cultivation is cultivated by non-owners.

One of the most serious defects of the present land tenure, as seen above, is that a great proportion of the wealth from land is appropriated by middlemen who are interposed between the actual cultivator and the State. Particularly, in the permanently settled area, where there is a big margin between the fixed land revenue

¹² *The Indian Peasant*, 1933, N. Gangulee

and the economic rent of the land, the chain of middlemen is lengthening and, as the Simon Commission pointed out in 1929, there have been found in certain districts of Bengal as many as 50 or more intermediate interests between the landlord at the top and the cultivator at the bottom. Rent is a wholly unnecessary payment. If these rent-takers disappear, the land would still remain and continue to yield the same products as before. Agricultural production does not depend upon the existence of a class of landlords who render no service to the land or to their tenants. The existing system, therefore, breeds and supports a class of persons who simply live upon the labour of others, who take absolutely no part in any enterprise, and whose profession is idleness. The landlords are parasites in the truest sense of the term, they are nothing but "drones doing no good in the public hive."

With honourable exceptions, the big, non-cultivating landowners pass their lives in luxurious pursuits, ill spending the money they ill get, and, what is unforgivable, they have, in league with the minions of the foreign bureaucracy, always loaded it over those very countrymen of theirs—the rightful heirs to the soil—who contribute to make their luxuries possible. Viewed in this light, this system is also one of the direct causes of the lowering of the national character.

The system resolves into one where thousands slave for the few, it reduces the toiling masses to the starkest poverty and degradation. The amount of rent that the tenant has to pay for hired land is fixed so high that the net return for his labour works out at no more, and often less, than what he would have earned, had he worked on the same land as a hired labourer. The landlord-tenant system takes no notice of the necessities of the cultivator, after meeting the expenses of cultivation and payment of his rent, a very little portion of the produce of his labour—sometimes nil—is left to him. More

often than not, it is insufficient to keep him and the members of his family, who also drudge day and night along with him, in bare food and clothes throughout the year, physical comforts, education of his children and entertainments are dreams to which he cannot aspire. From the cradle to the grave or the cremation-ground, his life is one long span of unrelieved misery, he labours and waits, but the day of redemption does not draw near.

In some parts of India the tenant or as he is rightly described in certain parts of the country, the *ryot* or 'rayyat', in the words of a German historian, Knapp by name, used to describe the conditions of the peasantry in eastern Germany under the Junkers in the last century, is "gloomy, discontented, coarse, slavish—a hapless missing link between a beast of burden and a man"

His critics would do well to note that he sticks to the land because there is nothing else to do, because he is not assured of a remunerative employment in other spheres and also to note that if he left the land they, the critics, would starve to death.

Big zamindars are usually men who have no connection with agriculture, they cannot possibly cultivate all their lands themselves even if they would. Almost the whole area is occupied by tenants, the vast majority of whom, owing to the high rents they have to pay, are too poor to effect any substantial improvements upon their holdings. This state of affairs results in an improper and insufficient utilization of the nation's greatest source of wealth—in a type of cultivation that increasingly impairs the fertility of the soil. The true welfare of agriculture, therefore, will continue to be neglected as long as this system lasts.

Security of tenure has been universally recognized as a condition precedent to efficient farming, but under the landlord-tenant system the cultivator, particularly if he is a non-occupancy tenant, has no security and, therefore, no incentive to make any improvements on his

holding, for he knows that he may be deprived any day of the fruits of his labour and capital investments. Therefore, although in some parts of the country, as in the Punjab, the cultivator is still a mere tenant-at-will, liable to ejectment at the sweet pleasure of the zamindar, various Tenancy Acts have been enacted in many parts of India to remedy this evil of insecurity. The tenant has been given rights of occupancy and his ejectment from the holding hedged with many restrictions. But this system has resulted in a system of dual ownership where the landlord has been reduced almost to the position of a mere receiver of rent and yet the tenant is not the owner. Whilst compensation for improvements and safeguards against capricious eviction do not satisfy the tenants, real security of tenure is odious to the landlord. The existing system, therefore, creates bad blood and engenders class-war. It has helped in bringing about a rural society where the few in whom proprietorship of the land is vested have interests differing from those of the many who actually cultivate it. For example, according to the census of 1931, in the table of earners and working dependents for the U P 260,610 persons are shown as non-cultivating landlords and 12,011,621 as cultivating tenants, i.e., conditions have been created in the U P under which, on an average, the interests of one man are in juxtaposition to those of forty-five. The ratio of rent-receivers to cultivating tenants for all India was 8 : 125. Instead of ensuring social peace and justice in the country, therefore, which ought to be the aim of all social organization, the existing land system of India is a prolific cause of disturbance of the public peace, it has, directly or indirectly, led to riots and affrays resulting in criminal prosecutions and consequent misery.

The complexities of the Tenancy Law, which has to balance the conflicting claims of the zamindar and the tenant, have led to an intense volume of litigation

between the privileged class and its under-dog—between the exploiter and the exploited. A vast army of Revenue Court officials is kept occupied in settling disputes relating to interests in land, and, though the court fees procure a considerable revenue to the Government, the cost to the litigant is far in excess of the revenue and is almost always out of all proportion to the amounts at stake.

The State, though it has been forced to enact various Tenancy Acts, has on the whole up till now looked on almost unconcerned and cared only for its revenue which has gone up after every thirty years or so. It has often refused to recognize famine conditions even when people have been starving to death, lest it might have to remit revenue and the zamindar his rent. The English, being themselves a nation of big landlords, have practically followed the policy of *laissez faire*, as if the welfare of the peasantry—the only class of people who live by the sweat of their brow—was nobody's concern, and have, in effect, allowed, rather encouraged, big landowners and also rich moneylenders to hold the peasants tight in their grip, and, in a sense, to skin them alive.

Now that the moneylender has been mentioned, still another defect of the present system is worth notice. Wealth in the form of land was unknown in the pre-British days; agriculture was merely a way of life. "Agriculture", says Professor Acerbo, "has throughout been looked upon not only as a productive form of activity, but as a mode of life and the pivot of the social structure." The usurer in the Hindu and Muslim periods could not get the land auctioned off for the realization of his debts. 'Property in land as a transferable commodity absolutely owned and passing from hand to hand like any chattel, is not an ancient institution, but a modern development'—a gift to India by the Britishers. With land made transferable at the orders of the civil courts and undue emphasis laid on the sanctity of contract, that is, with the introduction of the legal system

of a "nation of shopkeepers", land—the basis of the national life—was dragged into the marketplace and profiteering therein followed with its inevitable consequences. Neither the big taluqdar nor the peasant proprietor has escaped the attentions of his more intelligent countryman, the moneylender. Land having become an economic commodity available for sale in the market, a class of absentee owners has emerged whose connection with agriculture is purely financial, most of whom know nothing about the location of land, the crop raised upon it, and even the men who pay the rent.

It would not matter to the nation if, instead of one individual, another, who purchases land from the former, begins to cultivate it. But a purchaser of the non-agriculturist, town-dwelling variety looks upon it as an object of commercial investment, his only interest being to get the largest possible rent he can, and not to ply the plough and wield the scythe himself. For him the human element and personal relations have no importance, it is the amount of interest on the capital invested in the land that matters. He has not a grain of sympathy to waste over his ryots on howsoever bad days he might have fallen. He is not inspired by humanitarian feelings as the ancient Taluqdar or Zamindar in many cases was, his sole interest is the rent itself, neither the land nor the man who works upon it.

A state of affairs in which a vast proportion of land is in the ownership of a few while the many who work it are mere tenants, cannot, therefore, be accepted as a suitable economy in a country where agriculture has been, and still is, the main occupation of its people. It is neither politically expedient nor socially desirable. The feudal system has disappeared from all parts of the world and landlordism is almost everywhere a thing of the past. Direct exploitation of land by the owner is by far the commonest method on the continent of Europe these days. The proportion of land directly

worked by the owner, according to the agricultural censuses of 1929 and 1930, is 80 per cent in Switzerland, in Denmark it is 87.1 p. c., in Norway 85.7 p. c., in Hungary 85.0 p. c., in Czechoslovakia 90 p. c. and in Sweden 80 p. c. In Italy nearly three-fifths of the total number of undertakings (59.1 p. c.) representing an area equal to 57.5 p. c. of the total, were worked directly by the owner in 1938. It showed an increase of 18.8 p. c. in the number of such undertakings since 1922. In France the proportion of land directly worked by the owner rose from 53% in 1892 to 60% of the area cultivated in 1929, and in Germany it rose from 83.6% in 1907 to 88.7% in 1933.

In England the proportion of land directly worked by the owner rose from 10.6 p. c. in 1913 to 20 p. c. in 1921 and to 36 p. c. of the total agricultural area in 1927. Although there are no figures available for the more recent years, this indicates a tendency towards an increase in the proportion of land worked directly by the owner. That is, even in conservative England landlordism is on the wane. But here in this unfortunate land of ours it flourishes in all its former glory—or, shall we say, infamy. We have got to recognize the fact, sooner or later, that a few thousand zamindars do not make a nation and that politics can have one foundation only and that is the people—the toiling masses—for they alone provide sustenance for the community, it is they who pay the taxes and it is they again who supply soldiers in times of threat against the national existence.

Mahatma Gandhi had some more than ten years ago, in the course of an interview on the position of the Taluqdars in the U. P., enunciated the theory of trusteeship, viz., that the property-owners hold the property in trust for the community. Commenting on this, Mr. M. R. Masani says—

“Trusteeship in law is the ownership of property by A under such circumstances that he is bound to use

the property for the benefit of B who is called the beneficiary. If trustee A should in any way misuse his legal ownership by seeking to make any personal gain out of it, the law sees to it that he is removed from possession. A's property rights are, to put it bluntly, a legal fiction. Applying this to the rights of the property-owners generally, what the theory of trusteeship comes to is that the State allows present owners of the property on condition that they use the property for the benefit and profit of the entire community. Any property-owner who uses his property primarily for private profit would be removed from possession on the ground of breach of trust"¹³

There is no doubt that the zamindars have failed to administer the trust in national welfare. Judged by all standards, the Zamindari system has ceased to serve national interest, if ever it did, it has failed and has, therefore, to go lock, stock and barrel. The relations between landlords and tenant, perhaps, possessed some justification in the conditions of the time which saw their introduction, but they have gradually so degenerated that justice and common sense demand their outright abolition. No half-measures will satisfactorily remedy the defects of the system.

The time has arrived to take steps to effect a radical change in the relationship of the soil with the person who cultivates it—to liquidate the non-cultivating owner who lives on rent or trades in land. If national well-being is our aim, it should be made clear to those whom it may concern that the vast gulf that separates man from man shall have to be bridged—that the highly-placed shall be lowered and the humble raised. "That those who till the soil shall be its first masters, that those who raise food shall be its first partakers" shall be our motto and our

¹³ *Socialism Reconsidered*, 1944, p. 52

slogan, it shall be the governing principle of our agrarian programme

TWO ALTERNATIVES

Let us, therefore, consider the alternatives to the present system. The system of land tenure that is proposed here for the consideration of those in whose hands it lies to influence the destinies of this great country is, what was pleaded by the well-known French social philosopher, Proudhon, a century ago, viz, peasant proprietorship, that is, ownership of land by the man who actually tills it. The only other course that is seriously suggested is total abolition of private ownership of land and national acquisition thereof—when no man will be able to call a plot of land more exclusively his than that of his neighbour. When people talk of nationalization of land, they have invariably in mind the example of Russia, now called the Union of Soviet Socialist Republics, where in agriculture the collective farm has been adopted as the standard form of farm enterprise. It is natural to ask whether the methods which the Bolsheviks have applied to Russia might with an advantage be applied to rural India in order to banish poverty from this country and, therefore, necessary to study how the U S S R has solved her problem. We will deal with peasant proprietorship later.

CHAPTER II

THE RUSSIAN SYSTEM IN ITS MAKING

LAND TENURE IN PRE-REVOLUTION RUSSIA

For a true appreciation of the Russian Revolution and the subsequent collectivization drive, it is important to understand the broad features of the land system that prevailed in Russia before 1917

The early Russian Princes had made grants of land to the local chieftains, or boyars, in order to attach them to their service, or reward them for services rendered. This amounted to transferring to the boyars the Princes' right of collecting taxes or levies from the peasant population. In return the boyars were bound to follow the Prince to war at the head of a contingent of their own people.

'Until nearly the middle of the seventeenth century every peasant taking up land in a *pomestie* or estate made a contract with the *pomestichik* (i.e., who held an estate on conditions of service) in which his right to leave his plot was formally acknowledged. However, a peasant could only leave at a certain time of the year, in November, after harvest had been collected and the year's work completed, and then only if free of debt to the *pomestichik*. Since practically no peasant possessed any capital of his own, a loan, in money or kind or both, was almost invariably necessary at the start of a tenancy. Absconding peasants could be prosecuted and brought back within a certain time-limit. But these conditions did not satisfy the land-owning class which agitated for

further rights until, in 1649, Tsai Alexie granted laws which legalized the recovery of runaway peasants without any time-limit and in effect introduced the principle of hereditary bondedness. Where previously the individual peasant had legally been bound, at most, to his individual landlord during the latter's life, henceforth the peasant and his descendants were bound to the landlord and his heirs in perpetuity'¹

Obligatory service to the State by the nobility and gentry was brought to an end by an ukaz of 18th February, 1762, in which Peter III conferred "upon all the well-born of our Russian nobility full freedom from service and release thence"

Not a word was said concerning the nobles' serf-right, though this was derived from the nobles' compulsory service. The release of the nobility from obligatory State service, on the contrary, aggravated rather than alleviated the serfs' position, for the serf-owners now regarded their serfs as their own personal property and the source of their wealth. In fact the serfs had descended to a position practically of slavery, and the wealth of a noble landowner depended more on the number of his serfs than the area of his estate. The serfs could be bought and sold with or apart from land, in families, or singly, only public auction was forbidden.

For administrative purposes the peasants combined in communities called Mir, Commune or Obstchina, and were taxed collectively, the taxes being levied on the total land actually cultivated by each peasant commune and not on the individual holdings. In place of communal taxation, however, Peter the Great introduced a poll-tax, payable by every male peasant irrespective of the amount of land cultivated.

¹ *The Economics of Soviet Agriculture* (1939), pp. 12-13 by Leonard E. Hubbard

The characteristics of communal land-holding were —

- (1) Distribution in strips
- (2) Compulsory adherence by all members of the commune to a common rotation of crops
- (3) Temporary occupation by the individual of his allotment, and
- (4) Periodical alteration in the size of allotments

Each family had to share in the good land and the bad. The rotation followed was the so-called three-fold—winter corn (rye or wheat), spring corn (wheat or barley) and fallow. This course had to be enforced on all owners, otherwise the crops of one would have spread into the fallow of the others. It was also necessary that all the crops should be the same in each area, because after harvest the cattle of the village grazed in herds on the fields and had to be let in on the same date. Periodical re-distribution was repeated at an interval of twelve years and was based sometimes on the number of workers in each household, sometimes on the number of mouths.

The communal system necessarily involved a good deal of communal control of the community's farming activities, so that not only were the times of sowing and harvesting, hay-making and the like very dependent on the decision of the commune as a whole, but the crops to be sown, what area to be left fallow, etc., were similarly dictated.

Before a peasant could leave his village, the consent of the commune and of his own family had to be obtained as well as of his *pomestichik*. For, every peasant as a member of a commune was responsible for his share of the total taxes payable by the commune and as a member of a household, or *dvor*, was responsible for his share in his *dvor*'s liabilities and for his share in cultivating the *dvor*'s *nadel* or allotment of land.

The first restriction on serf-right was a law of Tsar Paul in 1797 which forbade the pomestichik to make his serfs work for him on more than three days in the week. Then followed the laws of 1803 and 1842 which allowed pomestichiki to free their serfs by whole villages or by families on conditions arrived at by mutual agreement. The effect of these laws, however, was negligible.

The Act of Emancipation (19th February, 1861) released all peasants from bonded dependency. The law compelled the pomestichiki to make over to the peasants their dwellings and a given amount of land, and in return the peasants were to render certain stated liabilities. The peasants were granted the right to redeem their homesteads, but could not acquire absolute ownership of their farm land without the consent of the landowner. At the same time the Government came to the assistance of the peasants with a redemption loan to enable them to purchase their nadieli from the landowners.

While each peasant was individually responsible for redeeming his homestead, the arable land was redeemable by the peasant commune or mir in agreement with the pomestichik. If no agreement were reached the landlord could claim a compulsory settlement. Voluntary agreements were comparatively rare and a very important content of the redemption law was the "mutual guarantee" under which all the members of the mir were jointly responsible for the payment of the annuities and, as a corollary, the field land belonged to the community as a whole and not to the individual peasant households.

Originally, the redemption loan was to be extinguished by instalments paid by the peasants over 49 years, but in many parts of the country the peasants' liabilities were so large in comparison with the livelihood capacities of their nadieli that arrears mounted up. Various palliative measures were adopted from time to time until a manifesto of 3rd November, 1905, ended all further payments from the peasants as from 1st January, 1906.

The most important milestone in Russian agrarian history after the Emancipation in 1861 was the land reforms of 1906. These are commonly and justly attributed to Peter Arkadevich Stolypin, President of the Council of Ministers from 1906 to 1911. But the conviction that some change in the principles of land tenure was necessary had been growing for some time.

On November 22nd, 1906, after the dissolution of the first Duma, an ukaz was promulgated depriving the mir of its forcible authority over the peasants and giving the latter the right to separate from the commune. The technical details of effecting the transfer and enclosure of the land took time, and it was not until 1908 that an effective start was made. The ukaz allowed every head of a peasant family, holding a *nadiel* by right of communal tenure, to claim the transfer to him as private property of his due share of the communal land.

As far as possible, peasants who decided to separate from the commune were given land in one compact piece instead of the numerous strips falling to their share under the communal distribution. The law which granted to the peasants the right to claim their *nadieli* as private freeholds also gave them the right to sell their freeholds to other peasants. Thus peasants who wished to leave the commune to emigrate to Asiatic provinces of the Empire or to become wage-earners in industry were able to liquidate their property.

At the close of 1916 there were 1.6 million independent farms covering 40 million acres, i.e., 10.7 p.c. of all peasant holdings, the total of which was about 15 millions. Thus ten years after the initiation of the land reforms in 1906 and immediately before the Revolution, a class of relatively prosperous independent peasant farmers had been created. Compared with the peasant farmers in Central and Western Europe, they were still backward and poor, but compared with the ordinary

peasant members of a commune prior to 1906 they were rich and progressive. Economically the reforms had not only begun to have an effect on the standard of farming and the yield of the land, but had given a great stimulus to industry. For the first time in Russian history a section of rural population was becoming steady purchasers of producers' goods as well as an expanding market for industrial consumption goods. Hard-working, intelligent and thrifty peasants were producing a saleable surplus and thus improving their situation, and in the process were earning the opprobrious title of Kulaks (fists).

THE REVOLUTION AND THE N. E. P

The Provincial Lvov Government formed in March, 1917, decreed the formation of land committees in every volost, district and province, in addition to a Central Land Committee for the whole country. These committees were to prepare the way for new land reforms and draft provisional measures pending the settlement of the land question by the Constituent Assembly. The committees did pretty well what they liked, that is, if they functioned at all. The peasants proceeded to annex the land. At first they acted with restraint, peasants who had leased land simply stopped paying rent, while peasant communities pastured their cattle on private meadows and cut wood in private forests.

As soon as it became known among the soldiers and sailors that land was to be had for the taking, thousands deserted and returned to their villages to claim their share before it was too late. The deserters were, naturally, in a more truculent and revolutionary frame of mind than the peasants at home and began a persecution of the land-owning gentry. The fury against the landowners extended to their possessions, and much valuable property, including even things that were of obvious value to the peasants, such as farm machinery and animals, were

senselessly butchered. When the Provisional Government at last woke up to the fact, it was too late to take any effective action.

Long before the Bolshevik Revolution in November 1917 brought the Provisional Government to an end, private ownership of land had been abolished. This applied not only to the gentry and non-peasant land-owners, the Crown, the State and the Church, but also to a large part of peasant proprietors who had become free-holders of their own farms. All land was forcibly integrated or re-integrated in the commune and re-distributed among its members on the old principles. The political tenets of the Narodnik and the Socialist-Revolutionary members of the Provisional Government favoured communal land tenure. When the land question was acute in the early years of the century they, and those of like socialist tint, had advocated the breaking up of large estates among the peasant communes without altering the form of peasant tenure. They beheld in the *obstchina* the prototype of their ideal form of land tenure, namely, socialization or nationalization, and regarded the Stolypin reforms as an anti-social measure calculated to increase the power and extent of capitalism on the land.

The Bolshevik agitators, already active but as yet irresponsible, encouraged the so-called *Chorny Peredel* (black, unauthorized and often violent re-distribution of the land) because the resulting disturbances embarrassed the Provisional Government and simultaneously brought the peasants over to their side. Their slogan originally, i.e., before February 1917 was *together with the whole peasantry against the autocracy*. Later on, i.e., after the Provisional Government had come into power and during the period of preparation for the October Revolution, the slogan was changed to: *together with the poor peasantry against the bourgeoisie*. In November 1918, Lenin, casting a retrospective glance

along the path the Revolution had followed, wrote

"Yes, our Revolution is a bourgeois revolution so long as we ally ourselves *with* the peasantry as a whole. That we realized absolutely clearly, we have stated it a hundred and thousand times since 1905, we never attempted to skip this essential phase of the historical process and never attempted to abolish it by decrees

But in 1917, in the month of April, *long before the October Revolution and before we assumed power*, we openly declared, and explained to the people, that now the Revolution could not stop there, for the country has gone ahead, capitalism has moved on, has reached an unparalleled stage of ruin, which will *demand* (whether they like it or not) that steps be taken towards Socialism. For there was *no* other way of moving forward, no other way of saving the country racked by war and no other way of relieving the sufferings of the toilers and exploited. And it turned out just as we had foretold. The course of revolution confirmed our arguments. *At first*, together with *all* the peasantry against the monarchy, against the landlords, against medievalism (and to that extent the Revolution remained bourgeois, bourgeois-democratic). *Then*, together with the poor peasantry, together with the semi-proletariat, together with all the exploited, *against capitalism*, including the *rural rich, the kulaks, and the speculators* (and to that extent the Revolution became a Socialist revolution) "²

The real programme of the Bolsheviks was nationalization along with the creation of large centrally-controlled state farms, but to have shown their hand at the time would have turned the peasants against them. In any case the Bolsheviks had not worked out the details of their land policy, and since the Socialist-Revolutionaries were getting the support of the villages in the elections to the Constituent Assembly, Lenin decided to outbid

² Quoted in "*Whither Peasantry?*" Stalin, pp 10-11

them with the slogan of *grab negrablennoe* (loot that which was looted)

The collapse of the Kerensky Government and the success to power of Lenin and the Bolsheviks in November 1917 made very little immediate difference to the peasants. Since their hands were completely full with organizing their administration in the urban centres, the Bolsheviks left the peasants alone.

Their attitude was influenced by recognition of the fact that victory in Civil War would ultimately go to that side which unconditionally capitulated to the peasants' demand for the distribution of all the agricultural land. "The law on the Socialization of land" proclaimed by the Soviet Government in February 1918 was prepared by the leaders of the left wing of the Socialist-Revolutionary Party, with whom the Russian Social Democrats, and consequently the Russian Bolsheviks, had differed as to principles of land economy for several decades, but who had now joined with the Bolsheviks to form a coalition.

It was proclaimed that all ownership in land was abolished and that the land was transferred to all the working people for their use, that all land was to be distributed on the principle of equalized land possession, according to the consumptive needs of the people who work it, or according to the labour resources of families working on land. Every citizen in principle acquired the right to use the land and all dealings in land were forbidden.

"Before the Revolution peasant farms of all sorts numbered some 18 millions. In 1919 there were over 20 million separate peasant farms and in 1923 over 22 millions. Very many peasants who had been agricultural labourers became possessed of land, thus between 1917 and 1919 the proportion of landless peasant households fell from 11.6 to 6.6 per cent. At the other end of the scale, the proportion of peasant farms over 27

acres in total area fell from 5 to 1·6 per cent. The equalization of peasant holdings also extended to horses, in 1917, 28·9 per cent of peasant farms were horseless, in 1919, 25·1 per cent, but the proportion of farms with only one horse increased from 47·6 to 60·1 per cent, and the proportion of farms with two or more horses fell from 23·5 to 14·8 per cent.”³

The result was that the peasantry everywhere eventually supported the Red Armies against the Whites who had threatened to reinstate the landlords in their possessions.

Certainly the peasants got possession of a great deal of land—about 135 million acres—which was closed to them before, or which they occupied only as tenants. But they made little use of it. It was not until 1925 that the total area under cultivation regained pre-War level. Owing to the shortage, or rather complete lack, of manufactured consumers’ goods, the inflationary depreciation of the currency and the disorganization of transport, private trade had almost ceased. The lack of markets made the production of a marketable surplus of grain a mere waste of time and trouble and peasants who had a surplus were disinclined to sell, because they could not buy anything with their money. The Provisional Government had been compelled to resort to requisitioning grain to feed the urban population and the Army, and the Bolsheviks were compelled not only to continue the Provisional Government’s grain monopoly, but to increase the severity of the requisitions. It was decreed that all peasants must surrender to the State all their grain in excess of a very modest norm to cover their own requirements. Nominally they were to receive in exchange a sufficient quantity of manufactured goods to satisfy their needs. Money was to be abolished and the exchange of the peasant’s food for the proleta-

³ (Hubbard, p. 78)

riat's factory-made goods was to be carried out by the State. This was the essence of Lenin's *Smychka* (literally, the linking together of complementary parts), in which he believed that the peasants and workers would be equally satisfied with their bargain. However, the Government was unable to carry out the whole programme, because it had very little in the way of manufactured goods to send into the villages. But the peasants had to part with their grain just the same.

As a consequence of War Communism (as the Bolsheviks' attempts to organize direct distribution without the use of money was called) the peasants further reduced their cultivation, they purposely produced only enough food for their own immediate consumption, and not only did not try to realize a marketable surplus but refrained from producing a reserve because it would have been taken away by the Government. There was a severe drought in 1920, which on the top of the reduced sowings caused a terrible famine, in which millions of people died. The situation became desperate enough to drive Lenin to the New Economic Policy announced in March 1921 when he admitted that "we must now endeavour to develop a national economy based upon the real psychology of the well-to-do peasant, whose motives and sentiments we have been unable to change during these three years"

The main feature was the reduction of the peasants' compulsory deliveries of grain from the whole of their surplus to a fixed quantity. After fulfilling their obligations to the State, the peasants might deal with the rest of their crops as they thought fit. The Government, of course, intended that the peasants should sell food to the townspeople, since the attempt to make them give it to the Government had failed disastrously. If buying and selling were to be introduced money was necessary, and if the peasants were to accept money they must be able to buy something with it. The

Government, therefore, revived the moribund rouble and as soon as practicable issued a new stable currency, and simultaneously allowed private traders to buy and sell goods on the open market

While this policy stopped any further deterioration in agriculture, the situation was still not satisfactory. In 1924 the Government found it necessary to announce further measures, rather, to change its entire attitude. Peasant taxation was placed on the monetary basis. It was decided that the hard-working and intelligent peasant, who had yesterday been a kulak, was an honest and thrifty farmer, the backbone of the country and a worthy citizen. Peasants were allowed to rent land from other peasants and hire labour. The Government also permitted, and even assisted, individual peasants to obtain agricultural machinery, and thus re-admitted the principle of private ownership of capital in agriculture.

By 1927 village life had returned to something very like pre-War conditions and the total area under cultivation and the gross quantity of crops harvested had about regained the pre-War level. The net marketable surplus, however, was not much more than one-third pre-War. For one thing, the rural population had increased, from an estimated 114.6 millions at the beginning of 1914 to 121.3 millions according to the census taken in December 1926, for another thing the peasants were consuming a larger proportion of their own produce. Since the prices of manufactured goods remained very high in comparison with the prices paid to the peasants for food-stuffs, the peasant farmer preferred consuming to satisfaction to restricting his consumption in order to buy, in his own opinion, a quite disproportionately small quantity of manufactured goods. Another result of the reversal of the Bolsheviks' agrarian policy was that the peasants were again becoming differentiated into rich, middle and poor.

VOLUNTARY, COLLECTIVE FARMING

Although, as we have already seen, the Bolsheviks' agrarian policy was originally founded on State ownership and large centrally-controlled farms, they were compelled for the time being to continue the old forms of peasant tenure. After the middle of 1918, however, the Soviet Government, following the rupture with the left wing of the Socialist-Revolutionary party, made its first attempt to apply its own principles to agricultural and agrarian policy, and to create large-scale farming on socialistic lines, in the form of agricultural communes and of State farms. As early as July 3, 1918, the Government assigned special sums to facilitate the organization of communes. Somewhat later, in a decree of February 14, 1919, the principles of the "socialistic organization of agricultural production" were developed in detail. According to this, individualistic forms of land utilization were to be replaced by collective forms. All land was proclaimed "a single State Fund", "all forms of individual land possession" were declared to be dying out, big soviet State farms (sovhozy or sovkhozy), communes and other forms of associated farming were pointed out as "the best means towards organizing a system of farming on socialist lines". According to this decree the land reserve was to be used preferably for satisfying the needs of the Soviet farms and of the communes, and in the second place for satisfying the needs of agricultural artels and other looser forms of collective farming. But since most of the land of confiscated estates had already been subdivided by the local peasantry, and only 3-4 per cent of the arable land remained in the possession of administrative organs, little was available for socialistic forms of farming.

While encouraging co-operative associations of every kind in agriculture, Lenin did not "endeavour to out-run the development of the masses", as he said. He

regarded attempts to introduce common cultivation of the land by decrees and legislation as the height of folly. Lenin held that the peasantry must be brought round to adopt collective farming only gradually and voluntarily, by convincing them through demonstration and practical experience, that it was more advantageous than individual farming and that it alone offered the poor and middle peasant a way out of poverty and want. He warned the Bolsheviks that any attempt to impose collective farming by force could only produce negative results and repel the peasants from the movement, that coercion would ruin the whole cause. Lenin, however, was dead set against small-peasant economy as we shall see later; he adopted this attitude of caution because he did not feel himself strong enough to introduce socialistic forms of agricultural all at once.

A certain number of former industrial workers and landless peasants with no capital of their own to start farming took advantage of the Government's offer to provide stock and credit and established collective farms on land allotted them from State land and large estates. In some places groups of poor peasants owning small farms voluntarily merged their separate holdings into collective farms in order to obtain Government assistance, but in many cases these collective farms were merely a pretence and there was no real pooling of property. The fluidity of collectivization in the early days is shown by the following figures —

Type of Collective	July 1939	September 1919	September 1920	March 1921	December 1922
Communes	342	1961	1892	2114	1672
Artels		3603	7722	11136	8130
Associations		622	886	1356	1605
Total	342	6186	10500	14606	11407

In the land cultivation Co-operative (Toz), also called the Joint Tillage Association or simply the Association, members united to do a given piece of work, lasting a certain length of time, and only part of the work of production, such as ploughing or harvesting, was done in common, the rest being left to the individual. This type of co-operative in which all property remained in private possession, may be said to represent the simplest or lowest form of agricultural collectivization.

In the artel was united not merely the labour force, but also the ownership of the capital employed. The members retained their own houses, small garden plots and some livestock and lived separately, but pooled the land and working stock and shared in the proceeds of joint farming. Its members worked under the direction of an elected management and its methods of production were very similar to those of the agricultural commune, while in the methods it employed for the distribution of produce it closely resembled the toz, the co-operative for the farming of land in common.

The commune was formed by the complete pooling of all resources and property and the members lived a communal life in communal buildings. It was the most thoroughgoing form of collectivized farm, nor only all production but distribution also was socialized. Not only the means of production, but also the appurtenances of life of every member of the commune were socialized, that is to say, the members of a commune, unlike the members of an artel, did not individually own poultry, small livestock, a cow, grain, or household land. Profits earned by an agrarian commune were not distributed among the members, but were used to strengthen the economic position of the entire community. If the latter was dissolved, all its property, land, livestock, buildings, etc., reverted to the State.

Generally speaking the sovkhozy (with which we will deal later) and the communal type of farm were

founded by members of the urban proletariat who were leaving the cities on account of the difficulty with the food supply and of the disorganization of manufacturing, which was nationalized by the State from the beginning of the communist revolution, while the genuine peasants preferred the comparative freedom of the artel or association. A number of collective farms were also formed by members of monasteries and ecclesiastical foundations and religious sects. The total membership of collective farms at the beginning of 1922 was just over one million, or some 1·4 per cent of the whole agricultural population.

As the figures show, collectivization was increasingly popular upto the beginning of 1921 and then declined after the introduction of N E P, the reason being that during War Communism collective farms were treated rather more liberally than independent peasants, having to deliver proportionately less grain and being given preference in the distribution of manufactured goods. Immediately private enterprise and individual economic liberty were reinstated many collective farms were liquidated, their members starting afresh as individual farmers.

The toz has disappeared altogether along with the independent peasantry, and the artel, as we shall see, has become the dominant form of economy and occupies the centre, if not the whole, of the picture. No information about the present position of the agricultural communes is available, perhaps, there is not a single commune now extant. At best, they are a dwindling feature of the Soviet agriculture. It is recognized by the communists that the conditions are not yet ripe for the agricultural commune as the predominant form. The commune, to be permanently successful, requires a considerably higher degree of personal character, and also of managerial capacity than other forms of village settlement—a level which cannot reasonably be expected.

to become universal for generations to come. "At present", write Sydney and Beatrice Webb in "Soviet Communism. A New Civilization" (1935), "it looks as if there was a tendency for individual ownership to reappear inside the commune" Not every member of the commune came to work in time, nor did everyone work equally well In these circumstances the few communes that existed were bound to dissolve

Explaining the failure of the commune, Stalin said in his Report to the Seventeenth Congress of the C P S U (B) on January 26, 1934 —

"The present agricultural commune arose on the basis of an under-developed technique and a shortage of products This really explains why it practised equalization and showed little concern for the individual, everyday interests of its members—as a result of which it is now being compelled to assume the status of the artel, in which the individual and public interests of collective farmers are rationally combined The future communes will arise out of developed and prosperous aytels The future agricultural commune will arise when the fields and farms of the artel are replete with grain, with cattle, with poultry, with vegetables, and all other produce, when the artels have mechanized laundries, modern dining-rooms, mechanized bakeries, etc, when the collective farmer sees that it is more to his advantage to receive his meat and milk from the collective farm's meat and dairy departments than to keep his own cow and small livestock, when the woman collective farmer sees that it is more to her advantage to take her meals in the dining-room, to get her bread from the public bakery, and to get her linen washed in the public laundry, than to do all these things herself The future commune will arise on the basis of a more developed technique and of a more developed artel, on the basis of an abundance of products"

FORCED COLLECTIVIZATION

From the Bolsheviks' economic point of view the continuation of the agrarian situation as it was in 1926 and 1927 offered no prospects. The New Economic Policy, as we have seen, did not solve the difficulties of the Soviet Government on the grain front. "The underlying cause of our grain difficulties", bewailed Stalin in a talk to students on May 28, 1928, "is that the increase in the production of grain for the market is not keeping pace with the increase in demand for grain. Industry is growing. The number of workers is growing. Towns are growing. And, lastly, the regions producing industrial crops (cotton, flax, sugar-beet, etc.) are growing, creating a demand for grain. All this leads to a rapid increase in our requirements as regards grain—grain available for the market. But the production of grain for the market is increasing at a disastrously slow rate." The Bolsheviks held that the perpetuation of a system of small peasant farmers would never result in the agricultural surplus necessary to support a large proletarian population, large, mechanized farms alone would provide the necessary grain for the market. There was still another very important reason why, Lenin tells us, a small-peasant economy could not be tolerated —

"As long as we live in a small-peasant country, there is a surer economic basis for capitalism in Russia than for communism. This must be borne in mind. Anyone who has carefully observed life in the countryside, as compared with life in the towns, knows that we have not torn up the roots of capitalism and have not undermined the foundation, the basis of the internal economy. The latter depends on small-scale production, and there is only one way of undermining it, namely, to place the economy of the country, including agriculture, on a new technical basis, the technical basis of

modern large-scale production And it is only in electricity that we have such a basis".⁴

There was, however, heated controversy over the alternative to peasant economy A section of the Party, consisting of followers of Trotsky and Bukharin and others who in 1936 and 1937 paid with their lives for their mistake, at one time advocated concessions to peasant capitalism with the object of creating a class of large peasant farmers who would produce a large marketable surplus of grain. However, this policy was rejected and the fifteenth party Congress in December 1927 adopted a resolution for collectivizing peasant farms, and added a recommendation in favour of means for the suppression of the kulaks and peasant capitalism

For, the Bolsheviks simply could not afford to pay fair prices for agricultural produce, especially, for grain. Their whole policy since the Revolution had been to make the peasants pay for their industrial programme because it was impossible to make the industrial proletariat pay, or at least, pay the full price The eventual construction and consolidation of the Communist State depended on a large and contented industrial population Thus, though possibly the chief reason for the expansion of industry and the creation of many very large industrial enterprises was the desire for self-sufficiency and independence of the Capitalistic world, a second and also important reason was the need for a rapidly growing industrial proletariat In other words, industry had to be expanded as rapidly as possible in order to create a large industrial proletariat And since the industrial population could not at the same time create a large amount of new fixed capital and produce a large output of consumption goods, the agricultural section of the population had to provide food for the industrial section without receiving a full equivalent in return What

⁴ Selected Works, Vol VIII, pp 276-77

place the peasantry occupied in the Bolshevik scheme of things will be apparent from the fact that in a speech at the Third Congress of the Comintern Lenin characterized the peasantry as "the last capitalist class" and declared that "the supreme principle of the dictatorship is the maintenance of the alliance between the proletariat and the peasantry in order *that the former may retain its leading role and state power*".

"Apart from the inconsistency of permitting agriculture", writes Leonard E. Hubbard in "*The Economics of Soviet Agriculture*" (1939) from which much of this account has been taken and condensed, mostly in his own words, "to be based on private capital and enterprise while industry was completely socialized, and the possible danger to the Communist State if a large and influential class of prosperous peasant farmers were allowed to grow up, the Bolsheviks decided on the collectivization of peasant farms because this was the only practical way of forming large-scale and economic farm units under effective Government control. A collective farm could be made to grow whatever crop was considered best in the eyes of the Government, irrespective of whether it was the most profitable to the growers themselves, a large proportion of the harvest could be taken away from a collective farm than could easily be recovered from a number of independent farmers cultivating in the aggregate the same area, a collective farm could be compelled to introduce intensive methods of cultivation, including the use of modern machinery even if it raised production costs, while the independent peasant, even if a comparatively large farmer, was often too conservative and obstinate readily to adopt new and scientific methods, and in any case required to be convinced that it would be to his pecuniary advantage. Finally, as against State farms, the collective farm was less calculated to involve the State in a loss. A State farm has to pay fixed wages and salaries, and its overhead and

working expenses were relatively inelastic, a collective farm, on the contrary, reimbursed its members out of its net proceeds in kind and money. If its proceeds were small the kolhozniki had to reduce their own consumption, and the State had to come to their assistance only if they were actually starving. For all these reasons and because cultural and political instruction can be more effectively conducted among an associated group than separate units, the collective farm was adopted as the standard form of agricultural enterprise"⁵

This collective farm was to be of the artel type, also called Kolhoz from *Kollektivnoe Hozyaystvo* — a collective economic enterprise. A collectivized peasant is called a Kolhoznik.

When the details of the first Five-Year Plan were made known in 1928, it was seen that the Government expected that at the close of the period, 15 per cent of peasant farms would be collectivized. It was hoped that the peasants themselves would come to see the advantages of collectivization and voluntarily combine to form such associations. To assist them in coming to this decision, the Government took certain measures to render individual farming unattractive. It revived class-war in the village, setting the poor peasants against the more energetic and prosperous farmers. Lenin's well-known slogan which he had proclaimed on November 21, 1918, in his article to the press against Pitirim Sorokin and which was subsequently confirmed by the Eighth Congress of the Party in March, 1919, viz, "Rely on the poor peasant, establish a firm alliance with the middle peasant, do not for a moment relax the fight against the kulak" was now raked out of the Bolshevik archives and fully acted upon. Those, who a short time before had been called useful citizens and the foundation of Russian agriculture, were to their surprise and despair suddenly

⁵ Pp 98-99

restigmatized as Kulaks

Taxation on independent peasant farmers was increased and various privileges were granted exclusively to collective farms, such as credit to buy machinery

Up to 1927 the Government had produced its grain requirements by buying what the peasants could be induced to sell. The peasants were compelled to sell in order to pay their taxes and were latterly compelled to sell to the Government, at its own price, because transport facilities were refused for private consignments. In 1928, however, the Government was forced to consider more effective means of procuring sufficient grain to satisfy the increasing demand of the urban and rural population. It returned to a system of grain procurements, not very different from the requisitions during War Communism, euphemistically called by the Government a system of contracts. The chief element of what is usually understood by the word, namely, the freedom of each party to make its own offer, was, however, absent. These contracts bound the peasant to deliver in due course to the Government grain-collecting organizations the whole of his surplus harvest at the price fixed by the Government. The quantity of grain to be delivered by each peasant was assessed arbitrarily by the Government collecting organizations on information supplied by the village Soviet, which was, of course, in the hands of the poor peasants. These were by no means inclined to let their richer neighbours off lightly, the more so as the higher these were assessed the smaller would be the contribution demanded from the poor peasants. The result was that the richer a peasant was, the more rapid was his impoverishment. According to the official "*History of the Communist Party of the Soviet Union*", 'in answer to the kulaks' refusal to sell their grain surpluses to the State at the fixed prices, the Party and the Government adopted a number of emergency measures against the kulaks,

applied Article 107 of the Criminal Code empowering the courts to confiscate grain surpluses from the kulaks and profiteers in case they refused to sell them to the State at the fixed prices, and granted to poor peasants a number of privileges under which 25 per cent of the confiscated kulak grain was placed at their disposal.

It must also be noted that from 1927 onwards the Government tried to restrict the open market for other agricultural produce such as oil-seeds, sugar-beet, wool, flax and hemp, which during the N.E.P. had been purchased by the corresponding industries directly from the peasants as well as through official purchasing boards. The new State-collecting organizations set up to procure supplies of these raw materials under the contract system paid the peasants at prices usually appreciably lower than the prices ruling on the open market.

All these measures were designed to persuade the peasants to join collective farms. The peasants, however, evinced a strange reluctance to give up their independent way of life, they preferred retaining their own individualities and the prospect of bettering themselves by their own efforts to sinking their individualities in collective enterprise. Certainly, the "Model" State farms and the majority of collective farms already in existence were not good advertisements for the mode of life extolled by Bolshevism, they had not shown any marked advance over individual farming and the standard of living was no better than that of the average independent farmer. In spite of all the efforts made to attract peasants into collective farms, during the years from the spring of 1927 to the spring of 1929 the percentage of peasant housesteads collectivized rose from 0.8 to 3.9 only.

The Government decided, therefore, to force the pace and to adopt stricter measures. The Fifteenth Party Congress had launched "an offensive against the kulaks" and proclaimed the policy of "resolutely res-

tricting the exploiting proclivities of the kulaks", but the kulaks as a class were allowed to exist. It was for this reason, explained Stalin in an article dated January 21, 1930, that the Congress allowed the laws which permitted the renting of land and the hiring of labour in rural districts to remain in force and declared "once again that the expropriation of the kulaks as a class was impermissible". It was intended, according to Stalin, only to squeeze out and overcome individual sections of the kulaks by taxation measures and all sorts of other restrictions, but this policy of semi-voluntary collectivization which was pursued right down to the summer of 1929 failed, as it did in the time of Lenin, and a most decisive turn in policy was taken when the elimination of the kulaks as a class was decided upon by "breaking down its resistance in open battle and depriving it of the productive sources of its existence and development (the free use of land, means of production, the renting of land, the right to hire labour, etc)". In January 1930 the Central Committee of the Communist Party issued an instruction that by the coming spring 30 million hectares of land should be brought under collective cultivation. This was about 25 per cent of the total area under crops in 1929. Peasants labelled rich were *ipso facto* condemned to liquidation, and taxes far heavier in proportion to those borne by the other groups, middle and poor, were imposed on them, if they paid the first time, they were re-assessed at twice or three times the original sum. Sooner or later the peasant failed to pay his taxes, thereupon his property was handed over to the nearest kolhozy.

Middle peasants were taxed somewhat more lightly, but still severely enough; while poor peasants were taxed very lightly or not at all. The Government relied mainly on the last-named as the prime movers towards collectivization. As a result of this drive Soviet statistics showed that while in 1929 the land sown by kolhozy

amounted to 4 2 million hectares and in 1930 to 38 1 million hectares, the land cultivated by independent peasants had sunk from 110 million hectares in 1929 to 81 8 millions in 1930 By March 1930, 60 per cent of peasant homesteads in the Russian Socialist Federal Soviet Republic were officially collectivized

Before entering the kolhoz most peasants, feeling themselves condemned to a merger that was repugnant to them, got rid of as much of their movable property as could be disposed of, and in many cases actually destroyed both live and dead stock rather than hand it over. As a direct consequence of this destruction, five-ninths of the total head of livestock in 1929, that is, fourteen crores of animals, were lost within a space of four years, buildings and machinery deteriorated through neglect or were deliberately damaged and large areas of orchards and the other permanent cultures were destroyed Probably, not less than five million peasants, including families, were deported to Siberia and the Far North, and of these it is estimated that 25 per cent perished Also very largely as a result of neglect of the land, growth of weeds, late sowings, etc , comparatively dry summers in 1931 and 1932 resulted in such poor harvests that millions, variously estimated at four to ten, of persons died of direct starvation or diseases induced by starvation

"In a very short time the campaign of forced collectivization caused such chaos in the country-side that the Central Government had to take steps to prevent the complete ruin of agriculture On March 2, 1930 a letter of Stalin entitled "Dizziness from Success" was published in all Soviet newspapers In this, Stalin, after giving qualified praise to the collectivizers for their energy and enthusiasm, reproached them strongly for their tactless and impetuous handling of the peasants They had used force where persuasion was called for, and driven the peasants into kolhozy when they should have led them The principle of voluntary collectiv-

ization was reaffirmed and the peasants were informed that those who had been collectivized against their will were to be allowed to leave the kolhozy. In two months collectivization in R S F S.R., fell from 60 to 23.4 per cent. This was, however, a temporary and hollow victory for the peasants. Those who left the kolhozy did not receive their former holdings, but had to take whatever vacant, and therefore, inferior land was available, neither did they get back all their animals and stock. Usually they were given a sum of money in compensation, which being calculated at Government's arbitrarily fixed purchasing price was hopelessly insufficient to recoup their losses. Most of the peasants who left the kolhozy in the spring of 1930 were only too glad to be re-admitted before the end of the year"⁶

Not only did those who left the kolhozy not receive their former holdings and their animals and stock, but to withstand the wave of withdrawals from collective farms, the Soviet Government announced that it intended to give the collective farms privileges in respect of land, the supply of machines, tractors, seed, grain, etc., in respect of tax alleviation and in respect of credits. "A few days ago the Soviet Government", wrote Stalin in the *Pravda* on April 3, 1930, "decided to exempt from taxation for two years all socialized draught animals in the collective farms (horses, oxen, etc.), all cows, pigs, sheep and poultry both in the collective possession of the collective farms and in the individual possession of the collective farmers. In addition, the Soviet Government decided to prolong the term of payment of arrears on credits granted to collective farmers until the end of the year, and to waive all fines and court penalties imposed prior to April 1 in the case of all peasants who have joined collective farms. Lastly, it decided to advance credits to the collective farmers in the present

⁶ "The Economics of Agriculture", pp 118-19

year to the amount of 500,000,000, roubles"

The Revolution was frankly a proletarian movement led by a small body of men belonging to the intelligentsia who were wanting in appreciation of peasant needs and sympathy for irrepressible peasant longings. The Bolsheviks stood for an alliance with the middle peasants, not any kind of alliance, however, as we have seen, but only such an alliance as "guaranteed the *leadership* of the working class, as *consolidated* the dictatorship of the proletariat and facilitated the abolition of classes" Few, if any, of the competent Bolshevik leaders were of genuine peasant origin and they seem to have thought the peasants ought to reach to the new order in much the same way as the industrial proletariat. But the latter had not suffered a fundamental change in their condition, they had exchanged private employers for the State, but they still worked in the same factories for a regular wage. Collectivization, however meant an enormous change in the peasants' life. It seemed to them a return to the pre-war conditions of dependence from which they thought the Revolution had delivered them. Although in theory the kolhozy were to be co-operative enterprises in which all the members had an equal voice, the people who arrived in the villages in 1930—25,000 industrial workers—to organize the kolhozy and become their first presidents, left the peasants in no doubt what the kolhoz was in fact to become. Every able-bodied member was to do whatever work he was detailed to do, and to work during specified hours. In return he was to receive rations and, perhaps, a small sum of money, but he had no voice in the disposal of the farm's produce, all of which, surplus to the consumptive needs of the farm, was to be handed over to the State at a fixed price, very low in comparison with the prices charged by the State for the goods produced by the State industries.

Perhaps, the roughness and suddenness of the

methods pursued in the course of collectivization were characteristic of the Bolsheviks rather than essential to the policy itself. With patience and tact, and, above all, if the Government had used as kolhoz organizers real farmers who knew their jobs and whom the peasants could respect and understand, the whole story might have been very different.

CHAPTER III

THE RUSSIAN SYSTEM OF TO-DAY

THE KOLHOZY ARTICLES OF ASSOCIATION

Towards the close of 1932 the Government made two concessions, it instituted officially administered, and organized free, peasant markets in the towns at which both kolhozy and kolhozniki had the right to sell their produce at uncontrolled market prices, and it amended the system of Government collections of products subject to compulsory delivery to a fixed quantity per unit of land planted with specified crops. This meant that every kolhoz knew at the beginning of the year exactly how much grain, potatoes, etc., it would have to hand over to the State collectors after the harvest, instead of being assessed at harvest time at the whim of the local collecting organization. The kolhoz was allowed to deal with the balance of its harvest as it liked, provided, naturally, that it made the necessary provisions for seed, fodder and other domestic requirements.

As soon as the kolhozniki began to realize that something might be made of collectivization they started to demand a say in the management of the kolhozy and some voice in the disposal of the farm's resources and income. Since 1930, or even earlier, increasing numbers of kolhozniki had received training as agricultural experts in various branches, as tractor drivers and mechanics, and had in the process received a certain amount of general education and had gained a broader outlook than the typical peasant. It seems not improbable.

W:58(x) 1862

147

that these considerations played some part in the decision of the Government to draw up a new and complete set of model articles of association for agricultural artels in 1935

THE MODEL CONSTITUTION OF AN AGRICULTURAL ARTEL¹

I

Aims and Objects

1 The working peasants of the village voluntarily associate themselves in an agricultural artel, in order by means of common possession of the means of production and mutual organization of their labour to create a collective or socialized economic unit, to complete the extermination of the kulaks and all exploiters and enemies of the workers, to banish poverty and ignorance and dissolve the remnants of small individual undertakings, and to raise the productivity of labour and thus improve the standard of living of the collectivized peasants

The path of the collective farm is the path of socialism and is the only true path for the working peasants to follow. The members of the artel undertake to consolidate their organization by honest toil, to share the collective income according to their individual contribution, to protect the common property and goods, to maintain the tractors, machines and horses in good condition and fulfil all their obligations towards the Workers' and Peasants' State, and thus create a truly Bolshevik collective farm and enable every collectivized peasant to become prosperous

II

The Land

2 All boundaries formerly separating the farms of individual members of the artel shall be demolished and

¹ "Economics of Soviet Agriculture" Hubbard

the land amalgamated into a single aggregate area for the common use and profit of the artel

The land occupied by an artel (and this applies equally to all land in the U S S R) remains the property of the State By virtue of the laws of the Workers' and Peasants' State it is transferred to the artel for the latter's permanent use Land cannot be sold nor bought nor leased

Every artel shall receive from the District Executive Committee a State certificate confirming the permanent usufruct of its land This document shall accurately delineate the boundaries of the land, of which no reduction is permissible Additions to the land held by an artel can be made from unoccupied State areas or from unused land occupied by independent peasants, with the proviso that there shall be no interposition (i e , a plot of independent peasant land surrounded by collectivized land, or *vice versa*)

3 Small allotments of land shall be provided out of the artel's land for the private use of every household as vegetable gardens, etc.

The area of these garden allotments (excluding the area immediately surrounding the dwelling-houses) shall vary between $\frac{1}{4}$ hectare and $\frac{1}{2}$ hectare, though in special districts it may amount to 1 hectare (2 471 acres)

The area of land held by an artel can in no circumstances be reduced It is forbidden to allot any artel land to a member leaving the artel, who can receive an allotment only from unoccupied State land

Farm land held by an artel shall be divided into fields in accordance with the authorized crop rotation Each farm brigade shall be attached to specific fields for the period of an entire crop rotation (i e , three or more years)

When an artel possesses a considerable head of live-

stock, if the area of the farm permits, a certain area may be set aside for the sole purpose of growing fodder crops.

III

The Means Of Production

4 The following are held in common all working cattle, agricultural implements (ploughs, drills, harrows, etc), seed stocks, fodder in quantities sufficient to supply the needs of the collective livestock, farm buildings necessary for carrying on the work of the artel, and all enterprises for working up the products of the farm

The following will remain in the private use of the individual households.—dwelling houses, private livestock and poultry, such buildings, etc , as are necessary for the proper housing of private livestock, and the garden tools necessary for cultivating private allotments.

At its own discretion the administration of the artel may allow against payment the farm's working cattle to be used by individual members for their own purpose

Aitels shall, whenever possible, organize a mixed livestock produce farm (i e , a livestock side comprising cattle, sheep, pigs, etc , for producing marketable commodities) When an artel possesses a specially large head of livestock, several specialized livestock departments may be organized

5 Every dvor in an artel in a grain, cotton, sugar-beet, flax, hemp, potato, vegetable, tea and tobacco-growing region may have for its own use one cow, two calves, one sow and its progeny, or, at the discretion of the farm administration, two sows and their progeny, upto 10 sheep or goats, an unlimited amount of poultry and rabbits and upto 20 bee-hives

Every dvor in an agricultural region in which there is a well-developed stock-breeding industry may possess

2 or 3 cows together with their calves, 2 or 3 sows and their litters, from 20 to 25 sheep and goats, an unlimited quantity of poultry and rabbits and upto 20 bee-hives. This applies to agricultural areas not contiguous to regions inhabited by nomad people, such as

Every *dvor* in non-nomad or semi-nomad regions, where agriculture plays a minor role and stock-breeding is the chief industry, may own 4 or 5 cows and their calves, from 30 to 40 sheep and goats, 2 or 3 sows and their progeny, an unlimited quantity of poultry and rabbits and upto 20 bee-hives, in addition, 1 horse or 1 milch mare (for the production of Koumiss—a Mongol or Tartar preparation made of fermented mare's milk), or 2 camels, or 2 asses, or 2 mules. Among these regions are included the stock-breeding districts of

Every *dvor* in the nomad regions where agriculture is practically non-existent may own 8 to 10 cows and their calves, 100 to 150 sheep or goats, an unlimited quantity of poultry, upto 10 horses, and from 5 to 8 camels. Such districts are the nomad areas of Kazakhs-tan, the Nagaisk region and the nomad areas of Burial Mongolia.

IV

The operations of the Artel and its administration

6 The artel shall carry out its collective work according to a plan, paying strict attention to the Government's plan of agricultural production, and with due regard to its obligations towards the State.

In carrying out field work the artel shall execute the various seasonal tasks such as ploughing, sowing, etc., in accordance with the requirements of each particular crop and shall also carry out the Government's plan for developing the livestock side of its activities.

The management and all members of the artel shall —

(a) Increase the yield of the farm by observing a proper system of crop rotation, deep ploughing, fallowing, etc., and strictly adhere to the rules laid down by the local agro-technical authorities;

(b) Select the best available seed and see that it is properly cleansed and stored,

(c) Extend the cultivated area of the farm by using all suitable land at the disposal of the artel,

(d) Use to the best advantage and keep in good repair and condition all implements, machinery, draught cattle, etc.,

(e) Organize a live-stock department, including, where possible, horse-breeding. The artel shall also take adequate steps to improve the livestock belonging to the individual members of the artel,

(f) Increase the production of fodder and improve meadows and pasturage, giving assistance also to the individual members of the artel by advice and by allowing them the use of the common pasture-land when possible,

(g) Develop all other branches of agricultural production suitable to the locality, as well as handicrafts,

(h) Construct buildings on proper economic principles,

(i) Improve the technical proficiency of the kolhozники, according to their qualifications posting them to brigades and appointing them tractor-drivers, cattle and horsemen, veterinary workers, etc.,

(j) Improve the cultural level of the artel by providing newspapers, books, wireless, etc., by forming clubs and libraries and installing baths, barber shops, and by seeing that the streets and premises of the village are kept clean and orderly and the houses in good repair, and

(k) Draw the women into the productive work of the farm and give them opportunities of developing their qualifications and increasing their experience by

relieving them, as far as possible, from domestic duties through organizing creches, kindergartens, etc

V

Membership

7. Elections of new members take place at a general meeting of the kolhozniki to consider candidates proposed by the administration

All workers of both sexes having reached the age of sixteen years, are eligible to become members of an artel

Kulaks and all persons deprived of civil rights are ineligible for membership But this does not apply —

(a) To children of outlaws who for some years have been engaged in communal agricultural labour and have worked conscientiously,

(b) To former kulaks and members of kulak families who, having been exiled to new settlements on account of their anti-soviet and anti-collective attitude, have during the past three years given evidence of their reform by honest labour and subordination to Soviet regulations

Independent peasants who sold their horses less than two years before being admitted to an artel and who possessed no seed, must within six years repay to the artel out of their own income the price of a horse and a given quantity of seed

8 Expulsion from an artel can be effected only by the decision of a general meeting of members at which not less than two-thirds of all members are present In the protocol of expulsion must be shown the number of members present at the meeting and number of votes passed for expulsion An expelled member may appeal against the expulsion to the District Executive Committee and his appeal will eventually be decided

by the Presidium of the Committee in the presence of the director and managing committee of the artel.

VI

The Property of the Artel

9 New members on entering an artel must pay an entrance fee of between 20 and 40 roubles per dvor according to their means. The entrance fees of new members are paid into the indivisible fund

10 One quarter to one-half of the property brought in by new members of the artel shall be credited to the indivisible fund. The remaining part of the property shall be considered as the dividend-earning contribution of the member concerned

In the case of a member leaving the artel; the management shall make a settlement with him and return to him the value of his dividend-earning contribution in the form of money. No member leaving an artel can be allotted any of the land belonging to the artel

11 The gross produce from both the arable and livestock sides of the artel farm is disposed of as follows, in order of precedence

(a) The delivery to the State of compulsory quotas, the repayment of seed loans and payment in kind to the M T S (Machine Tractor Station) for work carried out in accordance with the contract concluded between the artel and the M T S,

(b) Provision of seed for the following agricultural year and of fodder for the cattle for the following year; the formation of a reserve fund as an assurance against harvest failures,

(c) Provision for the subsistence of invalids, the aged and those who are temporarily incapacitated from work, the families of serving soldiers, and to supplying meals to children in the creches and to orphans. The

total amount allotted for these purposes is determined by the members at a general meeting, but shall not exceed 2 p c of the farm's total produce,

(d) Marketable surplus as determined at a general meeting of members for sale either to the State or on the open market,

(e) The remainder of the artel's farm produce shall be divided among the members of the artel according to the number of their labour days,

12 ¹The money income of the artel shall be distributed as follows —

(a) The payment of State taxes as established by law, the payment of insurance premiums and the repayment of financial loans,

(b) Necessary expenditure on current productive needs, such as repair to equipment and machinery, treatment of livestock, campaign against pests and vermin,

(c) Administrative costs, which must not exceed 2 p c of the gross income,

(d) Cultural requirements, such as the training of staff, organization of creches, children's play-grounds, the installation of wireless,

(e) The indivisible fund of the artel for the purpose of purchasing equipment and livestock, building materials, and the payment of wages to outside workers engaged for building,

The proportion of the money income to be appropriated to the indivisible fund shall be, in given regions, not less than 12 and not more than 15 per cent, in regions growing technical crops or engaged in stock-raising, not less than 15 and not more than 20 per cent

(f) The remainder of the artel's money income shall be distributed among the members in accordance with their labour days

¹ As amended on 5-12-1938

The artel administration draws up the artel's annual budget, which, however, must be approved and adopted at a general meeting of members

When passed the budget is obligatory on the artel administration, which must obtain the approval of a general meeting of members before funds may be diverted from one object to another

VII

The Organization, Payment and Discipline of Labour

13 The work of a collective farm is normally to be performed by the members of the artel Outside assistance is only to be resorted to when it is necessary to call in the services of an expert, or when ordinary hired labour is required to supplement the full labour strength of the artel during a rush of work Outside hired labour may be employed in building

14. The members of the artel shall be organized into "brigades"

Agricultural brigades are formed for a period of not less than a complete crop cycle They shall be attached to the same fields for the whole period

Every agricultural brigade shall be allotted the necessary machinery, implements, animals and farm buildings to enable it to carry on its work

Livestock brigades are formed for a period of not less than three years Each brigade has a definite head of stock allotted to it with the necessary complement of implements, draught animals, buildings, etc

The members of the brigades shall be allotted to jobs by their brigadiers, who are to avoid any favouritism or discrimination and shall pay due regard to each individual's skill and capacity Women are not to work for one month before and one month after childbirth, and during these two months are to be credited with half their average earnings

15 All agricultural work is to be remunerated on the piece work system

The management of the artel is to work out scales of work and fix the labour-day equivalents. The scheme must be approved at a general meeting of members

The daily task in every sort of job must be within the capacity of the ordinary member working conscientiously

In determining the labour-day equivalent of the unit task (e.g., ploughing a hectare, sowing a hectare, picking a hectare of cotton, threshing a ton of grain, etc.), due consideration must be given to the degree of skill required, the difficulty of the work, etc., and its importance for the community

The brigadiers must reckon up the labour-day earnings of each member of their brigades at least once a week and enter the result in the members' labour-books

Every month the administration must expose a list of members showing the number of labour days earned by each during the preceding month

At the end of the year the book-keeper shall calculate each member's total earnings, and after a counter-check by the brigadiers and the president, a complete statement shall be exposed in public at least two weeks before the date of the general meeting at which the distribution of the artel's income is to be decided

If any agricultural or livestock brigade, by reason of excellent work, returns a greater yield from its land or animals than the average for the whole farm, the management may award each member a bonus upto 10 p.c. more labour-day units than have actually been earned, upto 15 p.c. to the brigadier

In the case of a brigade returning a lower yield than the average through bad work, a deduction upto

10 p c from the labour-day earnings of each member may be made

The division of the divisible income of the aitel among the members shall be strictly according to their labour-day earnings

16 Every member may receive money advances during the year upto 50 p c of the sum already due to him

Advances in kind to members may be made after threshing has begun from the 10-15 p c of the amount threshed which may be devoted at once to the farm's internal consumption

In farms growing technical crops such as cotton, flax, etc , money advances may be made to members up to an aggregate amount not exceeding 60 p c of the value received for current sales of produce That is, the distribution of the artel's monetary income shall not be held back till the total crop has been sold

17. All members of an artel must obey the decision of the general meeting and the administration, take all possible care of the farm's property and State machines working on the farm, and generally do their work and observe proper discipline

Misbehaviour, disobedience, laziness and so on is punished according to the artel's rules, e g , a badly done job must be done over again without pay, an offender may be censured or reprimanded at a general meeting of members, may have his name written on the "black board", may be fined upto 5 labour days, may be degraded to a lower job, or may be temporarily suspended from work

If all attempts to reform a member by persuasion or punishment fail, the management may propose his expulsion to a general meeting of members Expulsion may then follow under the provisions of clause 8 above

² Names of exemplary members are displayed on "Red Boards"

18 Any damage or loss caused to collective or State property by negligence, and abuse of the property or animals belonging to the farm or of the machinery of the M T S shall be regarded as treason towards the community and as support of the enemies of the people

Any person accused of such crimes shall be handed over to the authorities for punishment according to the laws of the Workers' and Peasants' State

VIII

The Administration of the Affairs of the Artel

19 The affairs of the artel are controlled by the members in general assembly, during the periods between general meetings decisions are taken by the administration elected and appointed by the members in general assembly

20 The general assembly is the highest authority
Its functions are

(a) To elect the president, the managing committee and reversionary commission, the last-named being confirmed by the District Executive Committee (i.e., the local Government authority),

(b) To decide on the admission of new members and the expulsion of existing members,

(c) To approve and confirm the annual production plan, the estimate of incomings and outgoings, the standards of work and the value of different kinds of the labour days,

(d) To confirm contracts entered into with the M T S,

(e) To approve and confirm the general annual report of the administration in conjunction with the reversionary commission, as well as the separate reports of the administration on the most important activities of the artel,

(f) To approve and confirm the amount of the various funds and the labour-day equivalent in produce and money,

(g) To confirm the internal rules and regulations of the artel

In all the above-mentioned questions a decision by the administration is invalid until confirmed by the general assembly.

For ordinary decisions a quorum of one-half the full number of members is necessary, but a decision on the following questions requires the presence at the meeting of at least two-thirds of the full membership,

Election of president and managing committee, expulsion of a member, the determination of the amount of the various funds

All resolutions shall be passed by a majority vote recorded by open voting.

21 The managing committee of five to nine members, according to the size of the artel, is chosen by a general meeting of members from among their own number. The committee is elected for a period of two years

The committee is the executive organ of the general meeting of members, to which it is responsible for all its activities

22 The president, who is an ex-officio chairman of the Managing Committee, is responsible for the day-to-day routine of the farm and for seeing that the decisions of the committee are carried out

The president must call a meeting of the committee not less than twice a month for the purpose of considering current matters and taking any necessary decisions

The committee shall appoint any of its number as vice-president, who shall take his orders from the president

23. Brigadiers and managers of the livestock departments shall be appointed by the committee for a period of not less than two years.

For keeping the books and accounts of the farm the committee may appoint a book-keeper from among the members of the artel or engage an outside book-keeper at a salary. The book-keeper shall keep the accounts according to the approved system, and is directly subordinate to the committee and the president.

The book-keeper shall have no personal authority regarding the disposal of the farm's means, nor in respect of advances to members in money or kind. These matters can only be decided by the committee and the president. All documents relating to payments of money require the signature of the book-keeper and the president or vice-president.

The reversionary commission shall check all the economic and financial actions of the committee to ensure that all receipts in money and kind are properly accounted for, and that all outgoings and expenditure are agreeable to the regulations and constitution of the artel, to guard against waste and the improper use of the artel's property and to ensure that the artel fulfils its obligations towards the State, and to see that all debts are punctually paid and money dues collected.

The reversionary commission shall also check all accounts between the artel and the individual members and generally safeguard the interest of all parties.

The reversionary commission shall hold an audit four times a year. The annual accounts shall be audited and formally certified as correct before submission to the general assembly.

The reversionary commission is responsible to the general assembly for all its actions.

In the working life of such a community as has been outlined above, there must inevitably occur disputes which even a vote cannot settle. For these, as in the factory, according to rules framed originally resort was had to the "triangle". The triangle on the kolhoz was composed of the president of the Managing Committee, the Chairman of the village Soviet and the party secretary. And this triangular form of representation was carried down through the farm structure. On each brigade there was also a member of the village Soviet, elected from the brigade, who with the brigadier and the brigade party organizer, formed the brigade triangles. What amendments, if any, have been made since then in this procedure, we have no information.

To-day the collective farm of the artel type covers the USSR from one end to the other; it has become the pattern organization of Russia. In 1937 there were 243,700 kolhozy cultivating 110 511 million hectares representing 99.1 per cent of the total cultivated area and giving an average of approximately 450 hectares per kolhoz for the whole country, and there were a little more than 18.5 million (according to some, 18.8 million) kolhozniki dvory which works out at an average of 75 dvory per kolhoz. The average number of workers in a kolhoz at the beginning of 1935 was 124.3, which may be taken as approximately correct for the following two or three years. The average kolhoznik dvor consists of about 4.8 persons and the number of labour days earned per dvor in 1937 was given as 438.

The energetic campaign for the introduction of collectivization in agriculture reduced the number of independent peasant undertakings from 25.6 million at the end of 1927 to 1.5 million in 1938. The proportion of the grain area in these peasant holdings was, however, reduced still further. In his report to the

Eighteenth Congress of the C P S U. (B) Stalin stated on March 10, 1939—"Whereas the grain area of the collective farms increased from 75 million hectares in 1933 to 92 millions in 1938, the grain area of the individual peasant farmers dropped in this period from 15 7 million hectares to 0 6 million, or to 0 6 per cent of the total grain area" These individual holdings continued to linger in the nature of a social anachronism in the northern provinces, with their poorer soil, and in some of the autonomous republics inhabited by non-Russian nationalities. Soon after the Eighteenth Congress, a decree was issued on May 27, 1939, dealing with these remnants of individual peasants, which limited the farm land they may occupy exclusive of the homesteads to the following —

In cotton regions when irrigated, $1/10$ hectare ($1/4$ acres)

In cotton regions when not irrigated, $1/2$ ha ($1 1/4$ acres)

In vegetable and sugar-beet regions, $1/2$ ha ($1 1/4$ acres)

In all other regions, upto 1 ha ($2 1/2$, or to be quite accurate, 2 471 acres)

In irrigated districts the land occupied by the peasant's cottage, outbuildings, etc., must not exceed $1/10$ ha (a space roughly 30×40 yards), in all other places $1/5$ ha. This reduces the amount of land that an independent peasant may hold to about the same as private allotments allowed to kolhozniki. That is, independent peasants have been completely and finally liquidated.

MACHINE-TRACTOR STATIONS

An effective lever for lifting the kolhozy to prosperity was found in the Machine and Tractor Stations (M T S) through which the Soviet Government renders the collective farmers scientific and technical assistance. They were organized in their present form

by a decree of the Council of People's Commissars issued on 2nd September, 1933, by which time they had emerged from the experimental stages. In 1930 the USSR had 158 Machine and Tractor Stations. By the end of 1935 the number had increased to over 2,600. By the beginning of 1939 it had risen to 6,350, a great network extending from the White Sea to the Black Sea, from the Western frontiers to the Far East. In 1938 the Machine and Tractor Stations serving the collective farms *only* had 130,000 harvester combines, 160,000 motor trucks, 105,000 threshing machines and 394,500 powerful tractors aggregating 7,504,400 horse-power, and their number is steadily increasing. In addition there are hundreds of thousands of other machines and mechanical appliances in the Machine and Tractor Stations, as well as a large number of well-equipped repair shops. The M T S are well staffed with engineers, mechanics, agronomists, expert book-keepers and accountants, land reclamation experts, hydraulic engineers and other trained men.

Early in 1934 the Government issued a standard form of contract as a guide to M T S and kolhozy, when making their arrangements for the year's work. Besides specifying the amount and the nature of the work to be performed by M T S tractors, harvester combines, threshing machines, etc., the contract provided that the M T S should assist the kolhozy with advice on technical questions, such as the rotation of crops and financial plans, and instruction to members of the kolhoz in the use and care of machinery, etc. The kolhoz, for its part, undertook to provide all the necessary field labour and to put into effect the instructions issued by the district authorities and the M T S.

The form of model contract drawn up in 1934, however, proved to be unsatisfactory in some respects, and a new form of contract was published in January 1939 which instead of affording a standard model for

the guidance of M T S and kolhozy was to be accurately followed and to have the force of law. The new contract differed from its predecessor in that it laid down more rigid rules enforcing a greater degree of responsibility on both parties in the punctual and accurate performance of their respective obligations. It contains, for example, a table showing the precise area of land to be ploughed, cultivated, etc., the depth of the furrow, the dates when each class of work must be completed, etc., while on its part the kolhoz must provide a specified number of field hands for various tasks, have its own machinery and implements in good repair when required, provide the requisite quantity of good seed where and when wanted, and so on.

As payment to the M T S for the use of its machines the kolhoz delivers a certain percentage of the harvest to the State-collecting organizations, in addition to the statutory delivery of so much per hectare under cultivation, according to the actual yield realized. These rates, as fixed for 1937, come to about 11 per cent of the gross yield when the crop is small, to nearly 20 per cent when the crop is good, for the whole cycle of work, and somewhat higher proportionately for isolated tasks, such as ploughing. It was provided in 1939 that harvest estimates for the purpose of fixing the amounts due to the M T S were in future to be made by the republican or provincial governments and not, as formerly, by the district commissions which possibly were thought to be too lenient towards the kolhozy.

The main function of the M T S is to provide tractors to haul the so-called "coupled-up" machinery (ploughs, harrows, seed drills, etc., which belong to the kolhoz and not to the M T S), harvester combines and power-driven threshing machines. Kolhozy which possessed such machines had to sell them to the M T S in 1934, and only such farms that are not fully served by M T S are now allowed to possess any motive machinery.

of their own with the exception of motor lorries. The tractors on the collective farms do not work singly, but in teams consisting of a number of tractors with the requisite outfit of appliance and agricultural mechanics. The work of these machines is directed by mechanics and agronomists. Skilled men from the M.T.S. repair-shops see to it that the machines are kept in good order. The M.T.S. tractor teams are attached to a particular collective farm for the whole season to complete all the work undertaken in the contract.

Under a law of 5th February, 1938, all current and working costs were financed from the national budget, which opened an annual or six-months' credit for each, M.T.S. at the nearest branch of the State Bank. In that year the State assigned 7,000,000,000 roubles to the M.T.S. Since the amount was fixed the M.T.S. was often able to save money by economizing the petrol, oil, etc., through shallow ploughing and by delaying the start of spring operations until the ground was in easy working condition. Under the new dispensation of 1939 the M.T.S. are credited every quarter and the amount to which they can draw on their accounts depends on the way in which they fulfilled their plan during the preceding quarter. In addition to this, extra allowances of tractor fuel and wage increases are given during the first few days of the spring ploughing season in order to get the tractors on to the land at the earliest possible moment—a consideration which is of the utmost importance to the spring grain crops. Then at the end of the year the manager and chief officials of the M.T.S. may receive bonuses ranging from one to three months' pay if they have satisfactorily fulfilled their plan and the average yield of the farms they serve comes up to or exceeds expectations.

According to a decree of the Council of People's Commissars and the Central Committee of the Party, dated 8th March, 1939, which laid down elaborate rules

for remuneration of tractor-drivers for all forms of work, tractor-drivers who reduce their fuel-consumption below the official allowance receive a premium amounting to 50 per cent, and the brigadier 20 per cent, of the cost of the fuel saved. On the other hand, the extravagant tractor-driver is fined $1\frac{1}{2}$ times and his brigadier 10 per cent of the cost of the excess fuel consumed.

The reasons for concentrating power machinery in the M T S are, fairly obviously, the more economical use and better care possible when all the tractors, combines, etc., in the district are at the disposal of a single authority, possessing also a more or less well-equipped repair depot. It is also alleged by some critics that another motive was the stranglehold it offered the Government over the kolhozy. Undoubtedly, the terms of the contract give the M T S. a great deal of control over the kolhozy. The M T S together with the Rayzo (District Agricultural Department) dictate all the major operations of the kolhozy, and since kolhozy are permitted only in exceptional circumstances to possess tractors and complex machinery of their own, they are largely at the mercy of the M T S.

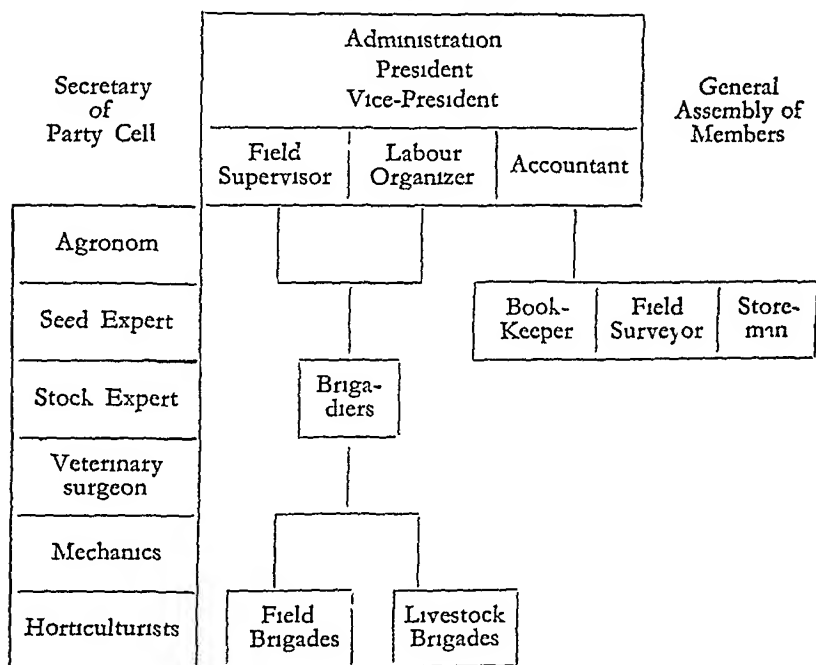
Agricultural Administration

While the political organization of kolhozy is controlled by the Central Committee of the Communist Party through the rayon party committees, the People's Commissariat of Agriculture is responsible for carrying out the Soviet Government's agricultural policy in the technical sense. The Commissariat draws up both the Five-Year Plans and the single-year plans, which include questions concerning the areas to be planted to different crops, stock-breeding, etc.

'The local organizations with which the kolhozy

come into direct contact are the rayzo,⁴ the village soviets, the rayon representatives of the State Collecting Organizations and the rayon party committees, and these in turn receive their orders and instructions from the republican or provincial governments and party committees.

The typical domestic organization of a kolhoz is best shown in the following diagram:



The secretary of the party cell is a political official representing the rayon party committee, whose main function is to see that the Party's instructions are properly carried out and to guard against any heterodox ideas gaining currency in the kolhoz. The general assembly of members has the theoretical right to elect the president and to decide certain matters of domestic

⁴ Rayzo is that section of the district local Government board which deals with agricultural matters

policy coming within its competence, such as decisions regarding the distribution of farm's surplus produce and money revenue among the members (vide the Kolhozy Statutes) Rules are, however, laid down which leave in actual fact very little discretion to the members

'The president of the kolhozy is usually a party functionary and not a farmer, and, in fact, very few presidents are local men or even of rural origin The 25,000 industrial workers who were sent into the country in 1930 to become the first kolhozy presidents were the forerunners of a class of professional presidents who to-day rule most of the 250,000 kolhozy The vice-presidents, on the contrary, are mainly drawn from the peasant class and undertake the supervision of the economic activities of the farm

'The field supervisors are responsible for the general work on the farm, while the labour organizers are responsible for the proper distribution of the farm's labour resources among the various activities of the farm The accountant is, of course, in charge of the office and clerical work, who besides keeping accounts both of the farm's money and material resources, has the task of booking up each member's labour days and recording the normal tasks which constitute a labour day, which are largely fixed by the surveyors

'The agronomists, or general farming experts, and the other experts are frequently salaried employees and not members of the kolhozy In principle they have no executive authority, but act as advisers to the administration, though those with special duties, such as the veterinarians and mechanics, naturally have the power of acting independently, and on their own initiative without waiting for instructions when it is a question of dealing with sick animals or defective machines The brigadiers may be compared with foremen and the brigades to labour-gangs

Kolhozy differ considerably both in regard to size and the number and nature of various activities carried on. Therefore all kolhozy do not possess the full complement of experts as enumerated above. Most large farms have their own agronomists, but smaller farms often share one agronomist with two or three others or employ the services of the M. T. S. staff agronomist. The same applies to stock experts, veterinary surgeons, etc. The number of field surveyors, brigadiers, office clerks, etc., depends on requirements, while some farms that carry on subsidiary enterprises, such as wine-making, alcohol distilling, dairying, tanning or even brick-making, possess experts to supervise these branches. In addition to the above, who may be described as forming the administrative and executive staff, every kolhoz employs a certain number of watchmen whose duties include the guarding of ripening crops from theft, though this is now not so frequent as during the early days, the nurses and children's governesses who take charge of the kolhozniki's babies, and young children when the mothers are at work⁵

STATE EXACTIONS AND TAXATION

As we have seen, a new system of compulsory deliveries was devised at the end of 1932. Grain, though by far the most important crop subject to compulsory deliveries, is not the only one. Quotas are also imposed on sun-flower seeds, potatoes, beans, wool, meat, butter and milk. Fixed quantities of these commodities, per unit of cultivated land or per head of livestock, were laid down for each region. As regards meat this law was followed by another on July 8, 1939, according to which the obligatory deliveries of meat were no longer computed on the basis of existing livestock but of land acreage, which meant that the collective had to devote

⁵ *Economics of Soviet Agriculture*, pp. 160-164

increasing energy to the livestock business or suffer serious encroachment on its livestock possessions. Other products, mainly so-called industrial crops such as cotton, flax and sugar-beet, are subject to contractual deliveries which differ mainly in name but little in principle from compulsory deliveries.

Every kolhoz is compelled to deliver its quotas, for which it receives payment at the State's purchasing price, nominally based on the cost of production. The prices paid are, however, extremely low in comparison with the prices of manufactured goods bought by the peasants. They are one-tenth, or even less, of the open market prices for the same commodities. These compulsory deliveries are generally and appropriately referred to as a tax in kind because the State obtains a very large part of its budget revenue (viz 58.9 p c in 1935, 54.6 p c in 1936 and 51.65 p c in 1937) by the sale at greatly inflated prices to the consuming population of the produce it has bought cheaply from the producers.

Excluding the Western Provinces, the percentage of compulsory deliveries to gross harvest averaged in 1935 about 35 p c and in 1936 about 23 p c.

The kolhozy are required to pay directly to the exchequer an income-tax in money, equivalent to 3 p c of their gross money income and produce valued at the State purchasing price, as shown in the previous year's accounts. In addition, the kolhozy pay turn-over tax at the prescribed rates on any products of the industrial enterprises.

Farmers in collectives pay no income-tax on their returns from the collective. But according to the law of July 3, 1939, they pay a much higher tax on the income they derive from their own allotments, from their individually owned livestock, or from any gainful occupation they may be pursuing outside of farming. Formerly, under a law of 1937, the kolhozniki paid on such independent income a fixed sum per dvor, varying

from R 10 in the poorest regions to R 50 in richest regions. This income-tax has been increased presumably to discourage the kolhozniki from devoting too much time to their own individual plots of land and their own livestock and to compel them to give more and more attention to the kolhoz.

In addition to the income-tax, kolhozniki earning wages in State enterprises would have to pay certain unions dues.

The above concludes the list of all union or centralized taxation, but local taxes are collected by provincial governments and village soviets collect something in the nature of rural rates

Finally, there is so-called "Voluntary taxation", which includes subscriptions to the State loan and levies for local cultural and social needs, such as building and equipping schools, clubs, etc. In practice the sums to be subscribed are fixed by the local party committee and the kolhozniki have no choice but to vote in favour of the resolution. The percentage of the average kolhoz and kolhozniki money income taxes by obligatory and "voluntary" taxation in 1935 was 7.9 and 9.7 respectively and in 1937, 8.3 and 5.8

THE SOVHOZY OR STATE FARMS

The second element in the socialist land tenure system consists of the great State agricultural undertakings. Here the socialist principles find their complete expression, work is carried on according to plans drawn up by the State and labour is subject to socialist regulations. The workers are exclusively wage-labourers who have appropriate trade unions of their own like the industrial labourers. The State farms have an eight-hour day. Every worker is entitled to an annual vacation with pay. Many workers spend their vacations in sanatoria and rest-houses at the expense of the State.

The majority of these State farms have been organized on semi-arid land previously not cultivated at all. In order to utilize machinery and tractors most efficiently these farms were planned to be of enormous size, and the projected size of State grain farms continued to increase. From 75 to 100 thousand acres at first, the optimum size was raised to about 175 to 200 thousand acres. By 1929 the average size of the 121 farms of the Grain Trust was officially given as about 140 thousand acres per farm. Many of them were much larger—as, for example, the ‘Giant’, or ‘Gigant’, which is the biggest wheat-producing estate in the world, fifty miles from north to south and forty miles from east to west, with 17,000 people working on it. By the spring of 1930, the number of State grain farms had risen to 143.

On October 1, 1936, according to a publication of the International Institute of Agriculture published in 1939, there were 4,295 *sovhozy*, with a cultivated area of 10,722,600 hectares. Of this number, 2,644 *sovhozy*, with a cultivated area of 7,342,600 hectares (68.4 per cent of the total area) were situated in the R. S. F. S. R. and 772 with a cultivated area of 2,269,400 hectares (21.3 per cent) in the Ukraine. According to a booklet issued by the People’s Commissar of State Farms of the U. S. S. R. published in 1939 on the occasion of the New York World Fair, the number of State farms on January 1, 1939, was 3,957 occupying an immense area of 168 million acres or 68,016,200 hectares. The State farms then existing were classified as follows —

Grain-growing	477
Growing cotton and other fibre crops	54
Growing special crops (tea, tobacco, etc.)	114
Fruit, vegetable, vine-growing	645
suburban (chiefly for vegetables, dairy, and miscellaneous)	816

Cattle-breeding	771
Pig-breeding	629
Sheep-raising	200
Reindeer-breeding	31
Poultry-raising	102
Studs	118
	<hr/>
	3957
	<hr/>

The scope of State farming may be seen from the fact that the total *sown* area of the State farms in 1938 was 12,250,000 ha and the total livestock of the State farms was 2,597,000 head of cattle, 1,830,000 head of hogs and 5,676,000 head of sheep.

By the end of 1938 the number of tractors in the State farms had increased to 89,000, aggregating 1,751,800 horse power, and that of harvester combines to 26,000 and of motor louries to 30,600. In the State grain farms 94.5 per cent of all work was done by mechanical tractors while the harvesting was done exclusively by combines. The State farms employ great numbers of agronomists, engineers, animal breeding experts, and veterinary surgeons. These professions are taught in a large number of special agricultural institutes and colleges run by the People's Commissariat of State Farms. The State farms run various schools and study-courses to train skilled personnel not only for themselves, but for the kolhozy farms too.

Many State farms are real townships, populated by thousands of people. Every State farm maintains nurseries, maternity homes, hospitals, clinics and schools for children, all expenses being borne by the State. There is little to distinguish life in the State farms from the life of the workers in the towns.

As regards their success in the economic sense we have the testimony of Swidersky, the official historian

of the Soviet agricultural policy, who, in an article written for the celebration of the tenth anniversary of the Soviet Government (1927), admitted that 4 or 5 thousand State farms existing during the period of War Communism occupying about 5 million acres in all provinces, could not produce sufficient quantities of food even for their personal consumption and for feed of their livestock. The Commissar of Agriculture recognized as late as in 1928 that the sugar-beet State farms never reached the level of efficiency of private large-scale farming before the Revolution. On January 7, 1933, Stalin himself, addressing the Central Committee of the Party, admitted that out of 5,000 State farms only a few scores were making both ends meet. "In regard to the State farms," said Stalin a year later, on January 26, 1934, in his Report to the Seventeenth Congress of the Party, "it must be said that they still fail to cope with their tasks. I do not in the least underestimate the great revolutionizing rôle of our State farms. But if we compare the enormous sums the State has invested in the State farms with the actual results they have achieved to date, we will find an enormous balance against the State farms. The principal reason for this discrepancy is the fact that our State grain farms are too unwieldy, the directors cannot manage such huge farms. The farms are also too specialized, they have no rotation of crops and fallow land, they do not engage in livestock breeding. Evidently, it will be necessary to split up the State farms and make them less specialized."

As a result, the year of 1934 proved to be of particular importance in the history of the Sovhozy. Not only was specialization, which they had carried to an extreme, as, for example, in the system of mono-culture practised in the so-called "Wheat factories", abolished in that year, but from that time on they were obliged to balance their budgets without State assistance. With-

out State assistance, however, most of these farms have failed and had to be wound up with the result that within three years, i.e., from 1936 to 1938, seven million hectares of land was transferred from sovhozy to kolhozy. The increase in the area cultivated by State farms from 10,722,600 hectares on October 1, 1936 to 12,250,000 hectares on January 1, 1939, can be explained by the fact that fresh areas, hitherto uncultivated, are being opened up and colonized and new sovhozy being set up.

In the course of our enquiry about the ideal land tenure for our country, the question suggests itself—whether we will adopt the sovhoz as the basis of our land economy? The reply is an emphatic 'No'.

In the sovhoz the peasant works on land merely as a wage-labourer just like any other labourer to-day. It is none of his business to determine which crop to grow and in which plot of land, how to tend it and when to harvest it. All this is done by the State and its officials who do all the thinking and all the planning to the minutest details, the labourer—the erstwhile peasant—is there one amongst hundreds and thousands, with no right to question, but to work as he is told to do.

We are opposed to the operation of industrial concerns or economic enterprises by the State or its officials, except where it is unavoidable in the national interest, as, for example, the basic industries or public utilities, because this neither raises the masses from their proletarian state which is the avowed aim of socialists and acceptable to all reasonable persons, nor unlooses their creative energy, nor gives them a feeling of responsibility. On the contrary, it aggravates all these existent evils, and the workers have even less rights in relation to their employer—the State—than to the private capitalist, millowner or landlord. Under a system of State farms, with one big capitalist substituted for the few hundred or thousand who actually rule the country—

side to-day, the land-worker would be reduced, at least as far as individual freedom is concerned, to a position worse than that under the existing landlord-tenant system, for the State will be at once an employer and a law-maker. To-day the State has to keep up some sort of impartiality, for the tenant is after all a citizen, tax-payer and soldier. This fact the revolutionary Marxists try to confute by representing the State as "the dictatorship of the proletariat", by pretending that the State is identical with the workers and that there can be no antagonism between them. Actually their system leads to the rule of a new class, viz, officialdom in place of the old privileged classes—taluqdars, financiers, princes and the like. In such a State, all power is vested in the bureaucrats who run the administration and the managers who run the industry and State farms. And the annihilating effect of officialdom or bureaucratization upon the individual is well known. That reform is disastrous which condemns the natural striving for independence of an individual to be crushed under the steamroller of officialdom. One has simply to realize the picture of hundreds of millions of India literally working under the cold-blooded control of an unimaginably vast and complex bureaucracy, and to dismiss the scheme outright. It is a devastating thought—that of one man or few sitting at the top and undertaking to direct and control every operation of agriculture throughout this big country. It will amount to building a society—and we must beware of building one—in which nobody counts for anything except a politician, an official, the manager of a factory or a farm.

Comparing individualism and socialism, Lewis Mumford writes —

"Masquerading under the noble slogans of the rights of man, pretending to continue its old war on despotic power, individualism established itself as the claim of

small groups of privileged people to exploit the work of other men on the basis of a monopoly, partial or complete, of land, capital, credit, and the machinery of production. For the single despotism of the king, it substituted a multitude of petty, and not so petty, despots. industrialists, financiers, robber barons. 'Socialism', on the other hand, has meant in practice the unlimited capacity of the government and the armed forces of the State to impose obedience and co-operation upon its subjects in times of war pushed to its extreme, it becomes the state-deification of fascism and the unity of war-dictatorship 'Individualism' rested on the doctrine of the "free market" in which price exercises the functions of an Almighty Providence 'Socialism' rested on the doctrine of the closed frontier, in which every human activity within, thought itself, is subjected to State monopoly. The inequalities of the first and the uniformities of the second were equally opposed to a good society."⁶

While abolishing the 'robber barons' and inequality in the country-side, we should take care lest we establish dictatorship and State monopoly of all human activity, including agriculture

Further, though it may be open to dispute whether, with efficient management, extensive farming on large farms supplied with modern machinery is or is not profitable, yet there is no doubt that intensive agriculture, such as we will have to resort to in the old soil of India in order to produce food for her ever-increasing millions and also to withstand over-sea competition of new countries like Australia or even the U. S. S. R. and the U. S. A. (which can live for a time on capital of fertile soil and sell their products at less than their real cost), has proved and will prove unremunerative if undertaken on a

⁶ "The Culture of Cities", 1938, p. 455

large scale with paid labour and that is what a sovhoz amounts to.

The next question, therefore, that arises in the course of our investigation is Shall we adopt the kolhoz (collective farm) ?

CHAPTER IV

SHALL WE ADOPT THE COLLECTIVE FARM ?

No national policy towards agriculture can be complete, adequate or even safe which does not consider the fact that agriculture is not merely an industry or a business, but also a way of living for three-fourths of the Indian people and that it, therefore, involves questions of profound social significance and calls for the earnest application of constructive statesmanship. As pointed out by the *Businessmen's Commission on Agriculture*, such statesmanship must take thought of the place agriculture is to occupy in the nation's future economy, of the relation between urban and rural populations, of the type of civilization we should hope to develop and of the conservation and wisest use of the basic national land resources.

"At present the farmer's unique position is to combine a way of living with a chance of material profit. A degree of success in both is essential. The first aim cannot be surrendered to the second ambition without revolutionizing the undertaking and surrendering what has seemed dearest to the farmer's heart. His pursuit guarantees a freedom of conduct and a self-direction of the aims and joys of life that is denied to every other occupation. His privilege exacts its own price. The farmer cannot successfully insist upon unique freedom, and at the same time challenge the material advantage of his less favoured fellowman who in turn pays his price for his peculiar advantage"¹

¹ "*Businessmen's Commission*", p. 17

This way of living, this freedom of conduct and the farmer's sense of personal attachment to a particular piece of land endangered as a result of continuous work on it from early youth, are, however, being rapidly collectivized out of the Russian kolhoznik and replaced by the purely materialistic sentiments of the industrial proletarian. In character and way of life he is gradually acquiring the ideas and philosophy of the factory worker. Even now the young specialist, at least, regards his kolhoz in the same light in which an industrial worker regards his factory, land is no longer an integral part of his personality as it was of the peasant hitherto. The aim that the leaders of communism had in view is very well expressed by the following quotation —

"The great importance of the collective farms lies precisely in that they represent the principal basis for the employment of machinery and tractors in agriculture, that they constitute the principal base for remoulding the peasant, for changing his psychology in the spirit of proletarian Socialism. Lenin was right when he said.—

"The task of remoulding the small farmer, of remoulding his whole psychology and habits is a task of generations. Only the material basis, the technique, the employment of tractors and machinery in agriculture on the mass scale, electrification on a mass scale, can solve the problem in relation to the small farmer, can cure, so to speak, his whole psychology' (Lenin, *Collected Works*, Russian edition, Vol XXV, p 239)"².

Farming in the kolhoz is becoming more and more a specialized profession with its inevitable moral and psychological disadvantages. As the kolhoznik gradually turns from a peasant farmer into a mere mechanic

² (Vide Stalin's speech on "Problems of Agrarian Policy in the U S S R" delivered on December 27, 1929)

or a specialized worker in some single branch of agriculture, he will lose many of the good, as also some bad, qualities of his ancestors. Van Der Post, a South African economist, says of specialization —

“Through division of labour the individual becomes a mere cog—and that a very small cog—in the industrial machine. As Herckenrath has expressed it ‘the machine which had to be the willing slave of man subjects to itself this so much nobler composition and makes it but a machine.’ The individual’s work, therefore, becomes largely mechanical or automatic, and so monotonous, with the result that he loses all pride and interest in the final product of the industry in which he and so many others are engaged. No longer can he point with pride to the product of his labour. No longer is that work a form of expression of his individuality. On the contrary, his contribution to that product is lost amongst the contributions of a large number of other specialists and consequently he is no longer concerned about that product, but rather about his wage and the hours of his labour. Division of labour, therefore, to a large extent destroys individual initiative”³

Possibly, let us concede for argument’s sake, mechanized and large-scale farming is a more efficient method of producing crops than the methods of the small peasant proprietor, but to some minds mere having more to eat and more to wear are not the most important things in life, nor essential to happiness. To many in this country and elsewhere a particular *way of living* may have more meaning than, and a *good life*—as the Greeks called it—not synonymous with mere abundance of material things and comforts that mechanization may offer. A certain degree of prosperity is undoubtedly essential to a full life, but that full life, and not prosperity alone, is the end which we should aim at

³ *Economics of Agriculture*, p. 112

It must be admitted that collectivization has broken the muzhik's apathy and resignation, his sense of helplessness and of a blind patience with the world about him. The notion that Nature is always unconquerable no longer plagues him. The collective has unified, drilled and disciplined the peoples of the U S S R as nothing else could.

Yet it is doubtful how far the sturdy individualism, bred by the self-reliant type of life that the peasant follows these days, but which is being hounded out of him by the kolhoz, is an absolute, unmixed evil. It may be a quality to be devoutly guarded.

We concede that incalculable has been the contribution of the collective in the Second World War to the defensive strength of the nation by bringing engines and machines to the most far-away villages and familiarizing tens of millions of people with their operation. The entire rural population has become machine-minded—an indispensable asset to a country involved in a modern war. In this connection we must not forget, however, that Germany fought equally well, if not better, without mechanizing her agriculture. And who will dispute that humanity may after all suffer intrinsically from this mechanization, from making man a mere appendage of the machine?

The difference in the way of life of a kolhoznik and that of the peasant farmer in other lands can be gauged by one development, viz., since the kolhozy are supposed to provide for their superannuated members, the idea of any filial duty towards aged parents is discouraged and fast disappearing in the U S S R.

The communists pride themselves on the fact that in the U S S R all distinction between country and town has been obliterated, that there is little to distinguish life in the kolhozy and sovhozy from the life of the workers in the towns. This change may be desirable in the eyes of many, but if, as a result of the pea-

sant's transformation into an industrial land-worker—big sovhozy of the Grain Trust are even to-day called "Wheat Factories"—he enters into an unwholesome competition for mere material profit, if he succumbs to the temptation of ease and amusement, worst enemies of urban life, well! that will be an evil day for the U S S R. City life has a charm, but in the long run it is fatal to a people

We have to think many times before we industrialize our agriculture in its entirety and begin to measure success or failure by the material outcome alone, in other words, before we exchange our peasant for the collectivized industrial land-worker or exchange a producer for a specialist. Instead of a high degree of specialized skill, an all-round competence is better preparation for breaking through stale routines and for facing emergencies. Money, goods, vacant leisure, cannot possibly make up for the loss of a life-work; although it is plain that money and goods, under our present standards of success, are called upon often to do precisely this

As hinted above, it cannot be denied that freedom of conduct or the opportunity to live by one's own direction and individual initiative which are the pride and peculiar characteristics of agriculture everywhere as practised hitherto, have been wrested from the Russian peasant under the existing dispensation of the communists. Freedom of the worker varies inversely to the size of the economic unit or organization in which he works, and the kolhoz, as we know, is a large unit. As a member of a collective farm the peasant has, therefore, much less liberty and economic freedom than as an individual farmer, in becoming a kolhoznik he has exchanged comparative liberty for a planned system in which personal initiative is practically excluded. He has much less voice in how he shall utilize his land—

rather the land that was his till yesterday—and how he shall dispose of its products. In a collective enterprise it is not, and in the nature of things cannot be, for the individual to choose when, how and in which plot of land he would like to undertake the operation of irrigating, ploughing, sowing, harrowing or weeding, harvesting or winnowing, and what part of the produce he would like to sell or what proportion should be reserved for consumption. It all depends upon the vote. The peasant must submit to a collective plan and a collective will. He must cultivate the land as laid out by the agronomist, by the management of the kolhoz, by Moscow. The members of a collective farm are divided into groups or brigades. Often the brigades are sub-divided into teams. Each brigade under its leader works in a particular department of the farm as the management directs, in the fields, the market garden, the orchard or the stock farms, as the case may be. For the performance of the specified day's quota of work the collective farmer is credited with one work-day unit. This unit is the equivalent of the average amount of work that can be performed by a collective farmer in one working day, as fixed by the standard quota set for each type of work. These quotas are fixed for each collective farm in accordance with the condition of the machinery, the draught animals, the soil, the difficulty of the work, the degree of skill required, and so on. The work-day units are calculated and recorded by the brigadier and by the quality inspector, after the work has been inspected. According to the standard rules there are seven classes of kolhoz workers, ranging from the president, senior tractor-drivers, etc., who are credited with two labour days for each day actually on duty, with the proviso that tractor-drivers, etc., perform a certain minimum task in the time, to watchmen, cleaners, etc., who score only half a day for each day on duty.

At the end of the year the management may award

a brigade an increase upto 10 p.c. on the labour days for good work or it may receive a like deduction for bad work. That is, it is somebody else and not the kolhoznik who has to decide for himself, be it the brigadier, the managing committee of the kolhoz, the general meeting, or even the Party Secretary or the President of the village soviet. True, the rights of the kolhozniki are often over-ridden by the kolhoz management and rayon authorities.

In theory the kolhoznik should enjoy greater economic security than the former independent mujik, but in practice his position as a member of a collective enterprise is not as secure as it seems. The kolhoznik may be, and apparently often is, expelled from his kolhoz without any compensation and at the caprice of local party bosses. But he is not free to quit his kolhoz and seek employment elsewhere, for one thing, the Soviet passport regulations would prevent his entering and residing in the chief industrial districts and large towns without police authorization, and for another, the kolhoznik who leaves his kolhoz without permission forfeits everything he leaves behind.

In theory, again, the kolhozniki are perfectly free to refuse to take employment in industrial enterprise. But in accordance with usual practice, the number of kolhozniki to be employed in industry is planned. According to Hubbard, a decree of 21st July, 1938, provides that in some 32 territories the president of the rayon planning commission, and in the remaining territories the president of the provincial planning commission, shall plan the recruitment or conscription of surplus kolhoz labour. From the beginning of 1939 territories were to be allotted to separate commissariats, which presumably means that the enterprises belonging to each commissariat have the exclusive right of enlisting labour in their particular territories. The conditions of recruitment lay down that, when groups of ten or more kolhoz-

niks are despatched together, they shall be in charge of a politically trustworthy and reliable leader. They certainly have little or no choice as to the sort of work they will do, nor the enterprise in which they will work, and whether they have the option of accepting or refusing employment is a question that must remain open.

As for the position of the kolhoz vis-a-vis the State, it is sufficient to state that the State Planning Commission called the Gozplan, assisted by the rayon and provincial planning commissions, plans all production, every collective farm receives a plan which stipulates the acreage of various crops, the agronomic measures it must apply, the harvest yield for the various crops, etc. The State brooks no interference with its plans, for otherwise the socialist society based on a planned system of production shall revert into a capitalist society. The State, through the various commissions, not only decides what the kolhozy shall grow, but also how and when labour shall be applied and how much of the gross revenue shall be saved, that is, re-invested in means of production, the kolhoz has the right only to decide matters of purely domestic import, such as the proportion of the surplus produce to be sold and the proportion to be distributed among its members, and the percentage of the net revenue to be set aside for communal purposes, such as club-rooms and creches.

Regarding the manner in which the State exercises effective control over the theoretically free kolhozy, John Strachey, a well-known socialist, writes—"In agriculture, however, the Producers' Co-operatives or kolhozi enormously preponderate. And as they sell a great part of their produce upon the market, in which competing bidders exist, they might feel unwilling or unable to produce the quantities and types of produce required of them by the commission. The commission and the Government have, it is true, a number of methods of

influencing them. They may vary the incidence of taxation; they may act upon the relative prices which governmental agencies will bid for different kinds of produce, and they may vary the prices and the quantities of the industrial products supplied to the villages, which are the ultimate inducement to the collective farmers to produce a surplus above their own needs (plus taxation and payment for the services such as tractor ploughing, seed selection, etc., which governmental agencies perform for them)".⁴

As a further proof of the external regulation to which the kolhozy are subject, it is well to remember that apart from all the internal accounting every kolhoz has to render at the very least eleven returns at intervals ranging from days to six months to the Commissariat of Agriculture, showing the progress of field work, the state of crops, sowing and harvesting operations, etc.

There is another important aspect of the matter which deserves attention, the system is undemocratic. The collective farm, wherein the self-regulated individual who is the very essence of democracy has been eliminated, is the off-spring of, and itself aids in the perpetuation of, totalitarianism. Freedom to the individual for full expression of his personality is one of the supreme values of democratic life, but collectivization cannot be undertaken except by discarding this fundamental postulate altogether. A collective farm can exist only in a socialist society whose ultimate basis is a planned system of production. "A collective farm is a large enterprise. And a large enterprise cannot be managed without a plan. A large agricultural enterprise embracing hundreds and sometimes thousands of households can be run only on the basis of planned

⁴ "The Theory and Practice of Socialism", Chap. IV

management It stands to reason that without systematic intervention on the part of the Soviet government in the work of the collective farm development, without its systematic aid, such an enterprise cannot be put in proper shape"⁵ This brings us to the State Planning Commission, the decrees and the umpteen year plans which in turn lead us to a one-party system The U S S R has not been able to shake off the one-party system, or, in other words, to allow individuals who differ from the ruling group to function as a party, even more than twenty-five years after the Revolution

The communist argues that his dictatorship, though indispensable, is only incidental to the transition from an individualist to a collectivist state of society, and destined like the State itself to disappear in due course. The dictatorship, however, shows no signs of disappearing, it is digging itself deeper and deeper. It will be a miracle, indeed—a far greater miracle than the Orthodox Russian Church ever believed in—if a Party which has tasted absolute power for so long will voluntarily abdicate and retire to become one with the mass of the people The Party had declared that as soon as the propertied classes were dispossessed and classless society achieved, its dictatorship would end and the fullest democracy would exist in the U S S R It seems the time will never arrive when the Party would have *fulfilled its purpose* democracy, instead of being established within the State, has been replaced, even within the Communist Party itself, by a one-man dictatorship. They have removed their opponents by "purges", they themselves can be removed only by purges As Professor Aldous Huxley remarks—"Such a highly centralized dictatorial State may be smashed by War or overturned by revolu-

⁵ (Vide Stalin's speech delivered at the joint plenum of the Central Committee and the Central Control Commission of the C P S U (B) on January 11, 1933)

tion from below, there is not the smallest reason to suppose that it will wither away."

Let us now see whether the kolhoz has been a success in the economic sense

The Bolsheviks saw, and quite rightly saw, that salvation lay in making the peasants more productive. The Imperial Government had come to the same conclusion years before and the Stolypin land reforms aiming at the establishment of a peasant proprietary were the result. The Bolsheviks, however, decided to increase the productivity of the peasants by replacing the peasant structure of agriculture by large-scale exploitation of the land aided by all the resources of science and machinery. Mechanical power and machinery, they argued, had radically altered circumstances. They were quite clear that the Party's agrarian policy must be based on large farms, technically and scientifically equipped, and on the squeezing out of the capitalist elements from agriculture. The average Russian peasant farm being too small for mechanized farming, they abolished it and created the kolhoz often covering thousands of acres and planting hundreds of acres to the same crop. Thus it is that they hoped to make agriculture capable of expanded reproduction, of accumulation and to bring agriculture in line with large-scale, socialized industry

But while as a matter of social and economic selection the whole movement of manufacturing industry is towards large-scale production establishments⁶, the

⁶ Owing to the substitution of coal by hydro-electricity and the discovery that a finished article can be produced by putting together at the assembling centre standard parts manufactured severally at different places, the movement even in manufacturing industry towards large-scale units and concentration of property in few and fewer hands is likely to be reversed, these latest developments in industrial evolution seem to point that the future lies with small work-shops, i.e., with decentralized economy

movement in agriculture, as will be seen later, is in the direction of the multiplication of the small farm. In Western Europe, the production of large farmers has been showing smaller proportional returns than that of the small holders. The author of "*The Land and the Peasant in Rumania*" says on page 254 —

"The progress in the science of agriculture has shown that the laws of industrial production do not also hold good for the production of food-stuffs. In agriculture production follows a natural process which does not allow an indefinite division of labour, and this form of intensifying production has been proved to bring in returns which, for a number of reasons, diminish in the proportion in which the size of the agricultural undertaking increases, as illustrated by the so-called circles of Thunen. More recent inquiries have shown that this is true not only of the total output which was often conceded but also of net production. It might be useful to quote here one inquiry, because of its clear results and of the great competence of its author. The Director of the Swiss Peasant Secretariat, Professor Ernest Laur, who is a member of the League of Nations Committee on Agricultural Questions, having worked over returns on capital for various categories of Swiss farms over a period of twenty years (1901-21), has obtained the following averages, in Swiss francs —

Size of farm in hectares	Value of Total production per hectare	Value of sold produce per hectare
3-5	1180	795
5-10	1005	740
10-15	900	700
15-30	825	660
Above 30	710	595 ²

The table indicates a gradual increase in the nett profits, as well as in gross production, from the least intensive to the most intensive groups, and Laur concludes that "agricultural economics must discard the conclusion which political economy bases upon the law of diminishing returns" While agreeing with the main conclusion of Laur, we respectfully differ from him if he means to lay down that agriculture can be intensified *ad infinitum* There will always be reached a point in the size of a holding beyond or below which intensification of agriculture will cease to pay, i.e., the sum total of the costs of labour and capital applied per unit of land will exceed the value of the quantity of product.

The returns of the Danish Agricultural Economic Bureau also show that the profit per acre was usually highest on the smallest holdings. "The superiority in this respect, viz, that of average net output, of the small farm is beyond doubt", says A. H. Hollmann, Professor at the Agricultural College in Berlin in the twenties

The Russian Communist Party, however, has always declared that in agriculture as well as in manufacturing, large-scale enterprises have competitive advantages over small ones and tend to supplant them It did not recognize the existence of a special form of evolution characteristic of agriculture and different from that of industry It did not recognize that in agriculture small-scale farming had better prospects of development than small-scale production in industry

To the argument that the stability of small-scale farming, i.e., its ability to hold its own in the struggle against large-scale farming, proves that the Marxian thesis on the advantages of large-scale production over small production does not apply to agriculture, Stalin has only this reply to make, viz, that it is primarily or mainly the fact that he owns his little plot of land, the existence of private ownership of land, that ties and will continue to tie the peasant to small-commodity farming,

that because of nationalization of land in the U S S R. this factor no longer operates in his country. Then, strangely enough, he goes on to point out that "the significance of the collective-farm movement in all its phases—both in its embryonic phase and in its more developed phase when it is equipped with tractors—lies in that it is now possible for the peasant to till waste and virgin land. This is the secret of the tremendous expansion of the crop area attending the transition of the peasants to collective labour. This is one of the bases of the superiority of the collective farms over individual peasant farming"⁷ But as the reader will note, the superiority of the large farm in this respect is beside the point, and the argument in favour of small-scale farming remains unanswered. To say that small-scale farming has been able to hold its own in the struggle against large-scale farming because the peasant owns his holding, simply begs the question.

It was the introduction of the steam engine for technical reasons that had caused the industrial revolution and led to a change from individual domestic work to collective factory work. But the communists forget that this industrial revolution, although it brought about something like a hundred or two-hundredfold increase in men's capacity to produce wealth in manufacturing industry, did nothing, could do nothing, of the kind in agriculture. The reason is obvious—

"The manufacturing process", says Van Der Post, "is a mechanical process producing articles to pattern in succession from the same machine. The agricultural process, on the other hand, is a biological process and its products are the result not of man-driven mechanism, but of their own inherent qualities of growth. In the case of the industrial

⁷ Vide Stalin's speech on *'Problems of Agrarian Policy in the U S S R'*, dated December 27, 1929

commodity, therefore, standing room for a machine and its operator will suffice in order that it be multiplied indefinitely. In the case of the agricultural commodity, on the other hand, standing room is required for each article that has to be produced".⁸

Sir Pheroz Kharegat, I C S, Vice-Chairman of the Imperial Agricultural Research Council of India and a member of the Indian Delegation to the Allied Food Conference held from May 18 to June 3 at Hot Springs, Virginia, in the U. S. A., is reported to have stated at a press conference on 24th July, 1943 that "the use of machinery in cultivation could not by itself increase production. Farmers in this country who knew their business produced an average of forty maunds of wheat per acre. Countries like the U. S. A. and Russia which used machinery on a large scale could not equal that figure. India could raise her production without the introduction of machinery such as tractors". Then he proceeded to emphasize the need of fertilizers.

We may be allowed to further reinforce our argument by the following quotation from a very high authority —

"The production from the farm business in China and in the United States is remarkably equal in quantity *per unit of land*, although the methods of obtaining these products are entirely different. In the United States the chief means has been the use of capital as well as labour, in China it has been by the use of labour, for the most part human labour, and with very little capital. The resulting production *per unit of labour* in the United States is apparently at least twenty-five fold greater than in China. Because of the dense population and the high cost of capital, it is evident, therefore, that the great national resource of China is her man-power. What she has to do is to learn how to make the most

⁸ *Agricultural Economics*, p. 62

of this immense resource, because, on the whole, neither human nor animal labour is used to its full capacity."⁹

It may be stated that 'capital' in the above quotation is synonymous with machinery and that the average holding in the U S A is 157 hectares or 388 acres while that in China is as small as in India. Lewis Mumford, while discussing the planning of population has this remark to make about the agricultural yields in China —

"In crowded countries like China and India, the population has in fact pressed close upon the food supply, and security has alternated with famine, despite the immense superiority of Chinese agriculture over most European and American agriculture in the yield it obtains per acre."¹⁰

Also, finally, the attention of the reader is invited to tables given in the last chapter of this book giving production of various crops for various countries, they do not show that the yield of large mechanized farms of Australia, U S A or U S S R per unit of land is higher than that of small farms of Japan, China, Italy, Germany or other countries of Europe where little or no machinery is used, at least, where there is no M T S

However, to come back to Russia, the particular question before us is—Has large-scale exploitation of the land, has collectivization and all it implies, increased the average yield of the Russian arable land? Stalin, when he made the admission regarding the Sovhozy on January 7, 1933, also admitted that out of nearly 250,000 kolhozy only a few thousands were making both ends meet. The kolhozy, however, it must be admitted, were only beginning to get into their stride by 1932. But the Russian yield even after 1932 has not come up to the German or Danish standard. The mujik of the pre-

⁹ (Vide "*Chinese Farm Economy*" by John Lossing Buck, p 423)

¹⁰ "*Technic and Civilization*", 1934 p 262

revolution era was proverbially inefficient and unproductive and the average per acre of the rich Russian soil in those times was a third of the English or German, and a quarter of the Danish yield. But the yield of the collective farm does not register an increase of more than 20% in any case on the production of the mujik.

According to the author of "*Economics of Soviet Agriculture*", as impartial a writer on Russia as any can be, average yields in quintals per hectare for all grains in 1933-35 compared with those in previous three quinquennials and a decade may be expressed as follows.—

1901-10	81	Private Estates
	6 5	Peasant Farms.
1909-13	7 3	
1925-29	7 4	
1928-32	7 8	
1933-35	8 6	
	7 8	

No yields for later years have been published officially. Two figures for 1933-35 have been given above, as the garnered yield calculated by the new method adopted by the Government of the U. S. S. R. in 1933 is at least 10 p c. better than if it is measured by the old empirical methods

The inefficient administration of the M. T. S. and the inefficient use of machinery are in the main responsible for the continued low standard of crop yields in Russia; when tractors break down, or stand idle for lack of fuel, sowing is delayed, and when harvester combines are not properly handled they allow a lot of grain to escape. These are the disadvantages of concentrating machinery at one centre under State control, for if a M. T. S. is badly managed, its machinery in bad order and inefficiently organized, the whole district suffers. Fuel, etc., also is often consumed in quantities

a good deal more than the planned standard which raised the cost of mechanization

The Report delivered by N Voznesensky at the Eighteenth All-Union Conference of the CPSP (B) on February 18, 1941, says—

"The achievements of the agriculture of the U S S R are considerable. However, they might be greater still if we drew upon our additional potentialities and eliminated shortcomings and the toleration of shortcomings on the part of the organs of the People's Commissariat of Agriculture and the People's Commissariat of State Farms. The following, at least, must be regarded as shortcomings of this kind

- (1) Tractors and harvester combines standing idle even during the busiest periods of the agricultural year
- (2) Losses of grain and industrial crops, especially owing to delayed harvesting
- (3) Rather excessive losses in stock-breeding, and non-fulfilment of the programme of stock productivity
- (4) The fact that a part of the collective farmers do not work the necessary minimum number of days, which has the effect of retaining hidden labour reserves in agriculture"¹¹

One may hope that these things will be set right sooner or later. Nevertheless, the enormous amount of capital invested in the means to produce agricultural machinery, in land improvement, in supplying chemical fertilizers, etc., has resulted in a disproportionately small improvement in the yield of the soil and there is no reason to suppose that had a similar amount been sunk in small, private farms, the result would not have been

¹¹ "U S S R speaks for itself", p 40

much better. To say the least, the economic soundness of the whole experiment is open to question

It may not be out of place to mention here that animal husbandry is the most difficult branch of agriculture to collectivize and is the least successful under collectivization. This is why far greater concessions in the matter of keeping private livestock have been given to collective farmers in areas devoted largely to animal husbandry, as opposed to those in areas devoted to grain production. Government aid in supplying machinery is of little use in animal husbandry, the advantages of machinery are not sufficient to off-set the disadvantages involved in collectivization.

Speaking of the comparative costs of animal and mechanical power, Leonard E. Hubbard says —

"The apotheosis of the machine leads to its use out of season as well as in season. It was the experience of the German farm concession (the celebrated Drusag which until 1932 farmed some 27,000 acres on the Kuban) that ploughing with animal power was often more economical than ploughing with mechanical power. Animals (they use oxen a lot in the North Caucasus) were very cheap to keep and wages were low, a unit consisting of eight yoke, a four-furrow plough and two men, or a man and a boy, to guide the leading yoke, ploughed a hectare as efficiently and at a smaller total cost than a tractor. The latter, of course, came into their own when speed was a factor, for instance, when autumn rain made the soil just right for sowing winter grain. The Russian, however, is inclined to think that, because the tractor turns over the soil at a prodigious rate and with lots of cheerful noise and bustle, it is doing it more economically and efficiently than any other method. In 1935 the official standard consumption of tractor fuel in spring ploughing one hectare was 21.6 kilos (vide an article "*The Production Cost of Grain in State Farms*" in "*Planned Economy*"

No 2, 1937) and in 1934 the price of one litre of benzine was about equal to the price of 10 kilos of grain, 21 kilos of benzine would be about 23 litres (one litre of water weighs 1 kilogramme, and the specific gravity of benzine is approximately 0.90), equal in cost to 230 kilos of grain. The quantity of corn and hay consumed by horses during the process of ploughing one hectare could not be more than the equivalent of 30 kilos of oats. According to the same authority, the total consumption of fuel in producing and, presumably, harvesting and threshing one hectare of spring wheat in 1935 was 57.3 kilos, equal in cost to 63 litres, or 630 kilos of grain, or very nearly the whole crop. If these figures are correct, it is no wonder that the State farms were being run at a loss¹²

Almost all our economists have suggested that the mechanization of agriculture is an imperative necessity. But "to judge of the advantages and effects of the use of mechanical traction, it must be borne in mind that while in the case of tractors, variable costs are high and fixed costs low, in that of draught animals the variable costs are trifling and fixed costs are considerable. In other words, the tractor, though expensive when in actual operation, costs little when idle, while the cost of keeping draught animals, though scarcely higher when they are at work than when they are resting, is continuous since they have to be fed and cared for, whether working or not. Hence the use of tractors is most profitable when a great deal of work has to be done in a short time. Animals, on the other hand, are more economical when the work is divided fairly evenly over the entire year"¹³ (*"European Conference on Rural Life"*, 1939. Document No 5, pp 19-20)".

And, last of all, even if we grant that mechaniza-

¹² "Economics of Soviet Agriculture" pp 260-61

¹³ *European Conference on Rural Life* 1939, Document No 5, pp 19-20

tion is the key to plenty, we must remember that it is in the U S A , Canada, Australia and the U S S R alone that mechanization is convertible with the big tractor and harvester-thresher. In Europe, on the other hand, mechanization seems increasingly likely to take the form of the electrification of the country-side and the use of labour-saving machinery, leaving the structure of the small-holding unaffected. There the manufacturers of agricultural machinery had begun to turn out before the last War machines suitable for use on small holdings, while possessing the advantages of large machines. That is, a large farm or collective is not a condition precedent to the use of machinery.

Whether collectivization can justifiably be claimed as a success is a matter of opinion and depends on what is meant by success. There are both losses and gains, but whether the losses will be outweighed by gains is still in doubt, except to those who hold that personal determination and individuality are inherently bad.

It may be accepted without question that so far as social services are concerned, the Soviet peasant is better provided for than the Tsarist peasant. While elementary education at least was clearly within the reach of the greater part of the population, even in the years immediately before the last War, to-day very nearly 100 p c of the population is literate. Health services in the country have been immensely increased and the Bolsheviks have made rural life infinitely fuller than in the old days with clubs, libraries, cinemas and the like. Many of the collective farms have their own electric power stations, clubs, theatres and moving picture houses, laboratories, schools, nurseries, kindergartens, hospitals, athletic fields and wireless centres. Farm life, it is claimed, is coming rapidly to urban standards. Finally, inasmuch as collectivization made possible to secure from the peasantry a larger share of the products of agriculture, it enabled the Government

of the U.S.S.R. to press forward with an ambitious industrialization programme without incurring foreign debt. But if we draw a sort of balance-sheet of success and failure, we are entitled not only to compare conditions of to-day with what they were at the close of the Tsarist regime as is usually done by the Soviet propagandists, but to take into consideration the very reasonable assumption that, had the Tsarist regime continued, economic and social conditions would have continued to improve as they did during the decade before the War. That, if the energies of the leaders of a nation are directed towards its regeneration, equally good, if not better, results are possible in all spheres, existence of private property in land and absence of the collectives notwithstanding.

The use of machinery and the employment of scientific methods of farming, as we have seen, have not yet had a striking effect on the yield of the land and it is questionable whether Kolhozniki in the mass are better off or enjoy a higher standard of living than they would have done had they remained small peasant farmers.

'Lenin himself was responsible for the following figures as given in his *"The Development of Capitalism in Russia"* —

Money Expenditure Per Peasant Household in the 1890's (In roubles)

	<i>Personal consump- tion</i>	<i>Farm Ex- penditure</i>	<i>Dues & taxes</i>	<i>Total</i>
Average money	81 27	102 23	34 20	219 70
Percentage	37 3%	46 9%	15 8%	100%

'Another authority, viz., P. Sokovnin, quoted by G. Pavlovsky in *"Agricultural Russia on the eve of the Revolution,"* page 93, gives the gross money-yield of

average-sized peasant holdings as ranging from Rs. 118 in the Ukraine to Rs. 204 in New Russia; and a Soviet publication in 1924, viz, "*Perspective of the Development of Agriculture in the U. S. S. R.*", page 3, puts the average income from agriculture per head of peasant population before the War at Rs. 52. If only 37% of the gross income of the pre-War peasant was available for personal consumption, and if the average family consisted of six members it may be reckoned that the average sum per head available for purchasing goods for personal consumption was about Rs. 13. The expenditure on personal consumption goods per kolhoz family in 1937, an exceptionally good year in which the harvest was 79% better than in 1936, was Rs. 659, or counting 4-8 members to a family, about Rs. 137 per head. But taking quality as well as quantity into account, the pre-War rouble had at least ten times the purchasing power of the Soviet rouble in 1937. It must also be remembered that while the figure for 1937, is the total income available for purchasing consumption goods, the pre-War figures of peasant income quoted refer to income from farming only and exclude outside earnings.¹⁴

The standard of living is extremely low compared with that of Western Europe, as regards consumption of food, clothing and the ordinary necessities of life it is certainly no higher than the average standard among the peasants of Eastern Europe.

Collectivization has also failed to iron out differences. Differences in density of population and in fertility of soil have not been overcome. The average prosperity of kolhoz in districts such as the North Caucasus and South-East Russia where the area of crops per head is large, is higher than in the Central agricultural regions where the area per head is much smaller.

¹⁴ "The Economics of Soviet Agriculture", pp. 239-41

But the actual differences in the well-being of the kolhozniki are much greater than can be accounted for by local and natural conditions, and are the result much more of differences in the efficiency and honesty of kolhoz managements and local party and Government officials than of differences in productive resources and capacities

Still another reason The collective farm does not promise to be the final organization that will endure—an organization with which either the kolhozniki or even the communists shall remain satisfied for long

Having condemned the notion of work for mere personal gain, the Bolsheviks tried to inculcate the concept of work for abstract ideals. However, in spite of the honour attaching to the pioneers of communism and the World Revolution, not the peasants alone, but the industrial workers also, proved deplorably unresponsive to intangible rewards. The Bolsheviks had to take account of psychological realities and to concede that it is impossible in practice to root out the instinct of private ownership altogether or to fashion the world on the entire elimination of all incentive for private gain. The knowledge that the total sum to be divided amongst more than a hundred or two hundred workers of the kolhoz depends upon how hard they work, has proved too thin and diffused an incentive to be effective. That is why the decision had to be taken that the share of each member shall be calculated on a piece-work basis, i.e., shall vary according to the quantity and quality of the work and, again, that is why the kolhoznik has been allowed a home, a piece of land and animals and poultry, etc., that he might call his own—something to develop his pride in. Even so, "the farmer will not", write Sydney and Beatrice Webb, "be easily weaned from his habit of seeking always to do less work than his fellow-members, on the argument that only in this way can he hope to get even with them or they will, of course,

be seeking to do less work than he does”

In recent legislation affecting agriculture, one finds a growing and very apparent change-over to a policy of rewards for good work from a policy of threats and coercion. For instance, following the example of the Stakhanov movement in industry, the Central Committee of the CPSU (B) and the Council of People's Commissars of the USSR adopted in 1939 the system of additional payment of the labour of collective farmers in the Ukraine Republic who secure more than the planned yields of agricultural crops and productivity of livestock. Thus it is hoped to rally the collective farm peasantry in the effort to achieve the further progress of Socialist agriculture.

As regards the kolhoznik's right to private property, its abuse had become so widespread in the spring of 1939 that a special decree was issued on 27-5-1939 entitled, *“Concerning Measure for Protecting the Communal Land of Kolhozy from being Squandered”*

This decree began by stating that gross breaches of the Communist Party's policy and the collective farm statutes were being committed, in that many kolhozniki had in practice reverted to individual enterprise, taking little or no part in the activities of their kolhozy. Not only were the private allotments larger than the collective farm statutes permitted, but were so interspersed among the kolhoz farm land that it was often hard to say which field belonged to the kolhoz and which to the individual kolhozniki. Extra land was obtained “by the fictitious separation of the kolhoznik's family, so that the dvor fraudulently obtains allotments for each separate member”. They contrived to add to their personal holdings by improving plots of swamp or brush-land or by some agreement with the management of their own collective. Apparently, too, kolhozniki, who for some reason could not and did not wish to work their allotments, were in the habit of

renting them to other kolhozniki able to make use of extra land. The decree specifically forbids the allotment of more than the maximum amount of land per dvor and directs that all private allotments shall be segregated from the kolhoz land by definite boundaries. Leasing of land by one kolhoznik to another is prohibited and the leasing of hay-fields and woods by the kolhoz to kolhozniki or other private persons will result in the kolhoz president being expelled and charged with a breach of the law. This decree further abolished the so-called Khutor, i.e., the individual homestead, separated from the village by an old law of 1906. The peasant must now live in the central village so that he can more rigidly be disciplined, and, regardless of his will or his pleasures, can more easily be broken from his individualistic habits of life and work.

As a result of the illegal extensions of private property, many kolhozniki found little time to work on the kolhoz, these sham kolhozniki earned perhaps twenty or thirty labour-days in the year and a few did not trouble to earn any at all. At the same time they enjoyed all the advantages and privileges of membership of a kolhoz, the chief being the much lower rate of taxation compared with the authentic independent peasants. The decree directs that in future every able-bodied kolhoznik must earn a given number of labour-days in the year, viz., in the cotton regions, 100, in a number of specified provinces, including the Ukraine and the Central and Southern agricultural regions, 80 labour-days. Those who do not earn this minimum will be expelled.

The fact that even as late as in 1939 more than ten years after the decision to base agriculture on the collective farm, it was necessary to legislate against excessive private enterprise among the collectivized peasants shows that the principle of collectivization has not met with the entire approval of the peasants. They have remained

the incorrigible individualists that they were, incapable of recognizing their own gain in any enterprise, however considerable, which has to be shared with so many others.

Thus it is obvious that the kolhoz cannot be a permanent feature, it is a passing phase. The concessions so far made to individualism do not appear to go a long way enough, they do not constitute a sufficient incentive for honest, efficient co-operative effort. The kolhoz can continue in its present state only if official pressure is continually and vigilantly exercised as soon as it is lightened, independent peasantry is bound to reappear. Also, the Marxist themselves regard the kolhoz as a transitional stage, they had maintained at the time of controversy over the Stolypin reforms that the idea of a socialist peasant society was an illusion. Their programme envisaged large state farms on which the former peasants would labour for a socialist remuneration in the same way as labourers in industry. There are some, however, who look upon the Commune as the final and ideal farm organization when anarchism would have been realized and the State disappears as a coercive apparatus altogether. That is, the collective farm of to-day cannot remain what it is, it must be converted either, if official pressure takes its logical course, into a sovhoz, or, if human nature of to-day undergoes a transformation, into an agricultural commune. The latter, however, is a dream and a consummation which will, perhaps, never materialize, while the former is a possibility and an apprehension which may be actualized at a not distant date.

As regards the practicability of introducing the kolhoz in India, the Russian experience should warn us to the contrary, viz, that Indian peasants cannot be won for communism.

The *artel* appears to go very far back in Russian history and even to date from the origins of the Slav race. For centuries past, unions of manual workers, usually builders' co-operatives, have been formed to carry out certain work in common under conditions of friendly rivalry and with a minimum of capital. In some parts of the country peasants organized themselves in *artels* to carry on such branches of peasant activity other than agriculture as home industry, lumbering, carting, etc. The principles governing their organization, which are very much on the lines indicated by Owen, Fourier and others, were adopted somewhat vaguely as an economic ideal by the Nihilists of the eighteen-sixties.

Not only this but possession of land has been in some sense joint and communal throughout Russian history. The village *mir*, which we have alluded to before, was a distinctive and peculiar attribute of traditional Russian civilization. In the study of collectivization and the peasant's attitude towards land proprietorship in Russia, it is well to bear in mind, therefore, that in the old days under the *mir* he had no chance to acquire the sense of landownership that the peasant elsewhere in the world has. In the old Russian commune he had only worked his allotment, but never owned it or even possessed it as exclusively his. Indeed he had but little inducement to improve it, because in the periodic redistributions he often acquired new parcels and the ones he had worked had gone to someone else in the village.

The idea of peasant ownership came to the fore only in the latter half of the last century. It was after a long agitation beginning with the Emancipation Act of 1861 that on November 22nd, 1906, as we have seen, an *ukaz* was promulgated depriving the *mir* of its authority and giving the peasants a right of separation from the commune, which laid the foundations of a class of true peasant proprietors. In 1928, therefore, when

the Government of the U.S.S.R. embarked on compulsory collectivization, peasants whose ownership of land had some history behind it were a small fraction of the entire peasantry, viz, 10·7 per cent, the vast majority having come into ownership, which, by the way, was never openly recognized by the communist government, only in 1917 when the big landlords, the Church and the Crown were liquidated. This being the case, although the proposal to reamalgamate the land into large collective farms struck the peasants as a whole as a retrograde step, yet it had some appeal to the old type of peasant who was accustomed to regulate his life according to the village mir. That is, joint land-holding of a sort having had its roots in the soil, the transformation to a collective system in Russia was not nearly as revolutionary as it sounds to foreign ears, or, as it would be, for example, in India where individual possession, and even ownership, of land has a very long history and is very deeply rooted in the minds of the rural population.

Here long before the arrival of the British, i.e., at least as early as the period of Raja Todar Mal in the North and Malik Ambar in the South, the arable land of the country had "acquired most of the substantial qualities of private property". Writing of the "Mirasdars or Peasant Proprietors" in his report to the Governor-General submitted in October 1819, Mountstuart Elphinstone says —

"A large portion of the royats are the proprietors of their estates, subject to the payment of a fixed land-tax to Government, their property is hereditary and saleable, and they are never dispossessed while they pay their tax, and even then they have for a long period (at least thirty years) the right of reclaiming their estate on paying the dues of Government".

Sir Charles Metcalfe also in his famous Minute on the Indian Village Communities dated 7-11-1830 testifies

to the attachment of the Indian peasant to his particular plots in the following words —

"If a country remain for a series of years the scene of continued pillage and massacre, so that the villages cannot be inhabited, the scattered villagers nevertheless return whenever the power of peaceable possession revives. A generation may pass away, but the succeeding generation will return. The sons will take the places of their fathers, the same site for the village, the same position for the houses, *the same lands will be reoccupied by the descendants of those who were driven out when the village was depopulated*" (Italics are ours)

The coming of the kolhoz is, therefore, a purely Russian event that must be seen, understood and evaluated as such. "The kolhoz is the collectivized farm emerging out of a primitive peasant economy which has neither wholly lost nor forgotten the collective characteristics of serfdom and feudalism. It could not be developed out of a system of middle-sized tenant farms, such as existed in Great Britain, or out of a developed and civilized peasant proprietorship like that of France, or, again out of the homestead farming characteristic of the United States and Canada."¹⁵ Nevertheless, as we have seen, collectivization was bitterly resented by the peasants as a class even in Russia who had hoped one day to enjoy the land in individual ownership and the resentment can hardly be said to have died down yet. True enough, large blocks of peasants still do not like it.

Collectivization presumes abolition of private property as a condition precedent which in its turn cannot be brought about without a violent revolution which may prove to be far bloodier in India than it was in Russia. However much one may enthuse over the pros-

¹⁵ "Practical Economics" 1937 G D H Cole, pp 49-50

pect when India will be covered with kolhozy and sovhozy from one end of the country to the other we are under no illusions but that the Indian cultivator, in whose interest largely it may be proposed to bring it about, will resist collectivization and the centralized control which it necessarily implies. As for those who dream of a proletarian revolution we cannot do better than quote Frederick L. Schuman, Professor at the university of Chicago. Discussing the possibility of an anti-Nazi revolution in Germany, he writes —

"It must be remembered, moreover, that even a well-organized, disciplined, revolutionary proletariat cannot, of itself, initiate a social revolution with any chance of leading it to a successful conclusion. The economic and military power of the enemy classes must first be broken. In all recorded instances of proletarian revolutions which have achieved some measure of temporary success, the plutocracy and aristocracy have been demoralized by catastrophic defeat in foreign war—for example, the Paris Commune of 1871, Russia in 1905 and 1917, Hungary and Bavaria in 1919. In each of these cases a portion of the shattered military forces of the State went over to the revolutionary cause. Even under these circumstances victory is impossible unless other major social groups rally to the proletariat. Only in Russia has such final victory been won. Here the lower middle classes were small and weak, and the peasants fought with the workers for the revolution. Elsewhere such attempts have been drowned in blood by the old ruling classes, supported passively, if not actively, by the peasantry and the petty bourgeoisie"¹⁶

On the absence of an organized middle class as a factor in the Russian Revolution, Maurice Hindus writes as follows —

"After the Czarist Government fell, there was no

¹⁶ "Hitler and the Nazi Dictatorship", 1935, p. 496

group in the country powerful enough to hold the nation together on the basis of the old conditions, so that when the Bolsheviks promised land to the peasants and peace to the soldiers, both of which groups were in a desperate mood, they swept away all opposition and leaped into power. If Russia had had a middle class of any size, the Bolshevik Revolution might never have become an active fact, or, if it did, it surely would have failed. For this has actually been the fate of Bolshevism in all lands having a semblance of a middle class"¹⁷

There is little prospect of the Indian soldiery coming out on the side of the proletariat and, surely, there is a bigger class in India than in Russia having a stake in the land. To wait for the collective farm as a solution of the land problem in India, therefore, amounts to waiting for such a revolution, that is, it amounts to waiting till the Greek kalends.

Our socialist and communist friends have to realize that even if nationalization and collectivization be the ideal tenure it is a very remote ideal indeed and time has not yet arrived to establish it in India. In advocating socialization, at least immediate socialization, of land, they are committing the mistake of appraising India in terms of the psychology and the living conditions of Old Russia and are not allowing for "difference in political experience, social background and emotional response". It is for reasons such as these that Edgai Snow and Maurice Hindus, the two well-known pro-communist or pro-Russian writers of America, while lauding the kolhoz to the skies, do not advocate its adoption by their own country. All their propaganda is meant for foreign consumption.

There is still another very important consideration to be borne in mind while discussing the practicability of mechanized farming in this country, viz, India has

¹⁷ The Great Offensive

no petrol, and we cannot cover the sky of India with a network of electric wires for the purpose of supplying motive power to the tractors, combines and threshers. We will, therefore, have to depend on a foreign country for petrol so that our teeming millions may have bread. It will be lunacy to do so. The Nazi hordes in the last World War rushed towards Caucasus not without reason, they wanted to capture the oil-wells and thus, by cutting the vital artery of the Russian economy, to starve the enemy to surrender.

Finally, instead of being a boon collectivization will be a curse for India.

As the use of machinery makes it possible for a smaller number of workers to cultivate a larger area, a large farm served by tractors, combine harvesters and threshers, employs less labour than small farms covering the same area worked by hands and draught animals. When machinery is employed, labour is necessarily saved. In $1\frac{1}{2}$ hours a tractor ploughs $2\frac{1}{2}$ acres, and a combine harvester harvests $2\frac{1}{2}$ acres in half an hour. A labourer who formerly ploughed hardly one acre with a pair of bullocks will be able to plough at least 12 acres a day with a tractor. In the U. S. A. the use of agricultural machinery in the last 40 years has led to a fall of 33 per cent in the number of farm workers.

In the U S S R. in 1927, 25.6 million independent peasant farms contained 111.5 million hectares of arable land, or 4.36 hectares per *dvor*, and, according to the census of 1926, 114 million persons lived by agriculture thus giving an agricultural population of over 103 per 100 hectares of cultivated land. In 1937 after collectivization of agriculture there were a little more than 18.5 million *kolhozniki dvory* cultivating 110.5 million hectares which at 4.8 members per *dvor* works out at 88.8 million persons or 80 per hundred hectares of farm-land. There is thus a fall of 23 persons per 100 hectares of land in a decade owing to mechanization of agriculture.

Even so, writes Sir E John Russell, Director of the Rothamstead Agricultural Research Station, after his visit to Russia in 1937.—

"The number of workers per 100 hectares is usually large according to Western ideas, especially if one assumes that much of the work is done by tractors and combines. On the farms I visited it was about two to four times as many as would have been needed in England, but the yields were less and the work not so well done, indicating a considerable difference in efficiency of the workers of the respective countries".

Thus agricultural labour in the U.S.S.R. is still far in excess of absolute requirements. If agricultural labour were rationalized and machinery economically and efficiently operated, it would probably be found that about half the present available labour would be sufficient for the present type of farming. The Government of the U.S.S.R., however, as and when it considers necessary and feels itself competent to do so, can employ this surplus labour to bring new land in Siberia and Central Asia under cultivation. Of a total arable area of about 1,037,400,000 acres, only about 333,450,000 acres have as yet been brought under cultivation. But in an old country like India where man-power is running to waste and where there are no vast areas of virgin soil waiting to be broken up for the first time, big mechanized farms of the kolhoz or sovhoz type would be nothing short of a calamity, industrialization alone would not absorb tens of millions of workers that would be released from land. According to Mr Hubbard, "since 1928 industry in U.S.S.R. has absorbed probably between 12 and 15 millions of rural population, but since 1932 the rate of increase in wage-earners in all branches of activity has slowed down. Since industrial labour is steadily increasing in efficiency and productivity, it is unlikely that the demand will expand at the same rate as during the first Five-Year Plan, when the total number of wage-earners

doubled"¹⁸ Even in the U S S R, therefore, throughout that buoyant period of economic expansion when tremendous cities and vast industrial enterprises were springing up all over the face of that country during successive five-year plans, only one million persons—not more than one million and a quarter in any case—were being absorbed into gainful employment each year, whereas in India the rate of increase in population alone comes to five millions a year, not to say of the existing hundreds of millions who cannot be said to be gainfully employed to-day The number of the latter, according to Dr Radha Kamal Mukerjee, is estimated to be about 15 per cent of adult workers, mostly in villages

Typical of the view that reduction in employment in agriculture caused by mechanization will be compensated by a rise in employment in other directions is the comment of Dr W Burns made in his Note on "Technological Possibilities of Agricultural Development in India" submitted to the Government of India on September 30, 1943 —

"Use of machines (sic) may mean fewer men per operation", says he, "but not per acre There are numerous examples in which modern progressive farming has actually restored the numbers of men employed upon the land Mechanization, in addition, creates several new classes, those who make, those who manage and those who repair the machines It employs, in addition, men groups who are the suppliers and distributors of the spares, the fuel and the lubricants Mechanization, particularly if it involves the transference of machines from one place to another, involves the improvement of roads and here, again, a large prospect of employment is opened up" (p 127)

Dr Burns has not given any example where mechanized farming has resulted in increased employment on

¹⁸ Ibid, p 284

the land, and I do not think anybody will agree with him that the new occupations which he has pointed out can find employment for the vast numbers that would be displaced by the use of machines in agriculture. In this connection it will be well to remember that the stage passed long ago 'when reduction in cost was achieved by the economies of large-scale production, i.e., by extensification—when reduction in cost of production by utilization of machine-stimulated consumption giving rise to increased demand, increased production and, therefore, increased employment'¹⁰ Now industries seek economies mainly in internal organization often achieved by increased mechanization. That is, thanks to advance in technology, we require proportionately fewer men to produce additional wealth, with the result that manufacturing industry is to-day not able to employ the same percentage of people as it formerly did. In the U.S.A., England and Wales, Japan and Canada in years between 1921 and 1931, percentage of total working population gainfully employed in industry respectively fell from 30.8 to 28.9, 32.3 to 31.7, 19.4 to 18.1 and 23.8 to 17.3. For Germany the corresponding figure for 1925 was 38.1 which came down to 36.2 in 1933. Even in India while the number of factories between 1911 and 1936 increased from 2,700 to 9,300, yet according to Dr. Radha Kamal Mukerjee the percentage of industrially occupied people to working population fell from 11 to 9.4. The rate of growth in all the older branches of machine production is in fact going down slowly, some economists hold that this is generally true of all industry since 1910. And nobody contends that socialization is any specific against the onslaught of technology.

Let us see a bit more in detail what two eminent economists have to say about relative proportion of industrial employment in India.

¹⁰ "Gandhism Reconsidered" Professor M. L. Dantwala

"The following table", says Dr. Mukerjee, "shows the disparity between population increase and industrialization. A grave economic situation, in the face of increasing population pressure, is indicated by the decline of the relative proportion of industrial employment during the last three decades.

	1911	1921	1931	Percentage of Variation 1911—31—
Population (in millions)	315	319	353	+12.1
Working Population (in millions)	149	146	154	+4.0
Persons employed in industries (in millions)	17.5	15.7	15.3	-12.6
Percentage of workers in industry to the working population	11.0	11.0	10.0	-9.1
Percentage of Industrial workers to total population	5.5	4.9	4.3	-21.8

"That de-industrialization is going on is indicated by a fall in the number of actual workers in the principal industries since 1911

<i>Number of actual workers</i>	1911	1921	1931
1 Textiles	4,449,449	4,030,674	4,102,136
2 Industries of Dress and Toilets	3,747,755	3,403,842	3,380,824
3 Wood	1,730,920	1,581,006	1,631,723
4 Food Industries	2,134,045	1,653,464	1,476,995
5 Ceramics	1,159,168	1,085,335	1,024,830

"The increasing population, indeed, is not being absorbed in industries at all. It is only in the sugar industry, which has been aided by a tariff, that

the employment of workers has rapidly increased. But sugar employs on the whole only 200,000 workers. Even with an addition since 1931 of 1·2 millions as industrial workers, who will be employed by the sugar, textiles, leather, match-making and food industries, the number of industrial workers will not exceed 16 millions. On the other hand, the working population will probably increase by about 20 millions. Thus the occupation maladjustment is expected to be even greater in the future.²⁰

The following table showing the increase in the numbers employed in large-scale industrial establishments since 1921 is given by Nanavati —

Year	Number of workers in large scale Industrial Establishments (million)	Percentage to the total working popu- lation	Percentage to Total popu- lation
1921	1·56	1·70	50
1931	1·57	1·02	41
1941	2·03	1·20	54

"This total may be compared with the annual increase of population which works out at between 4 and 5 millions. It is thus obvious that large-scale industries however rapid their development and however great their expansion, cannot possibly absorb the growing numbers of the population and help further in reducing the already existing surplus population on the land. Moreover, as these industries are necessarily urban, they benefit the country-side but little, except by way of an increased demand for raw materials for industries and for food from the large city population. This indicates the limi-

²⁰ "Food Planning for 400 Millions" R. K. Mukerjee, pp 204-205

tations of large-scale industry so far as the Indian situation is concerned"²¹

It may be stated here that while we need basic and some other industries which have to be on a large scale, and without which we can neither become a great nation nor defend ourselves, it is small and medium-scale industries alone that can find employment for the vast number of people, who are in India far more readily available than capital, and who to-day either have no work or are under-employed. Our unemployment and under-employment can be relieved only by industries using what are called cruder methods of production than by those using technically more advanced or rationalized methods. What we want is not the substitution of the hand worker by the machine but the development of rural industries which would not supplant labour so much as supplement it. That small industry gives more employment than big industry is illustrated by the following table²² relating to the manufacture of textile fabrics in India by four different methods of production.

<i>Method of production</i>		<i>Capital investment per head of worker</i>	<i>Output Ratio per head</i>	<i>Amount of labour employed per unit of capital</i>	
		Rs	Rs.		
1	Modern Mill (large-scale industry)	1,200	650	1 9	1
2	Power-loom (small-scale industry)	300	200	1 5	3
3	Automatic loom (cottage industry)	90	80	1 1	15
4	Handloom (cottage industry)	35	45	0 8	25

²¹ "The Indian Rural Problem" (1945), p. 347

²² An article entitled "Village Industries and the Plan" in "The Eastern Economist", dated July 23, 1943, quoted by Nanavati and Anjaria in "The Indian Rural Problem" (1945), p. 348

"Mechanization", says Mahatma Gandhi, is good when hands are too few for the work intended to be accomplished. It is an evil when there are more hands than required for the work, as is the case in India.

The problem with us is not how to find leisure for the teeming millions inhabiting our villages. The problem is how to utilize their idle hours, which are equal to the working days of six months in the year"²³

Pointing out the comparative role of small and big industry in India, Pandit Jawaharlal Nehru writes in a foreword to "*China Builds for Democracy*" (1942) by Nym Wales, as follows —

"Gandhiji has, I think, done a great service to India by his emphasis on village industry. Before he did this, we were all, or nearly all, thinking in a lopsided way and ignoring not only the human aspect of the question, but the peculiar conditions prevailing in India. India, like China, has enormous man-power, vast unemployment and under-employment. Any scheme which involves the wastage of our labour power or which throws people out of employment is bad. From the purely economic point of view, even apart from the human aspect, it may be more profitable to use more labour power and less specialized machinery. It is better to find employment for large numbers of people at a low income level than to keep most of them unemployed."

This observation of Pt Jawaharlal Nehru is as true of agriculture, as of industry. Apart from natural conditions, population is the most important single economic factor determining the nature and type of agriculture that may be practised in a country. A country of a large, sparsely peopled area, like the U.S.S.R., the U.S.A. or Australia, will have an agricultural system very different from one, large or small, with a comparatively dense population like India, China, Germany or

²³ Harijan dated 22-6-1935

Belgium. Our problem, therefore, being essentially different from that of U.S.S.R., the kolhoz has no place in our agrarian economy, only such an economy will suit us as will provide employment for the maximum number of workers, i.e., will make the fullest use of India's biggest capital—the labour-power. Hands must have precedence over the machine employment over plenty (even if we equate mechanization with plenty).

The objection that unrestricted use of machinery will create unemployment is met by the socialists with the argument that the collective farmers, who would include the whole rural population, could work only for, say, three hours a day and take holiday for the rest that in place of so much poverty and starvation of to-day we shall have a perpetually rising standard of life. It is doubtful, however, whether this can be regarded as a national gain. That a rich idler's mind is a devil's workshop, cannot be denied.

"Leisure is good and necessary up to a point only. God created man to eat his bread in the sweat of his brow, and I dread the prospect of our being able to produce all that we want, including our food-stuffs, out of a conjurer's hat"—says Mahatma Gandhi. Too much leisure demoralizes society and, as hinted at previously, it will be an evil day for India when its peasantry succumbs to the temptation of ease.

The socialists forget that the chief benefit the rational use of the machine promises is certainly not the elimination of work; what it promises is something quite different—the elimination of servile work or slavery. A peasant's work, however, on his own farm neither deforms the body, nor cramps the mind, nor deadens the spirit, i.e., it is not a type of work which the machine was intended to eliminate. A peasant proprietor, whose cause we advocate in the following chapter, is not a slave to anybody; his work is not servile. We are not opposed to use of all machines by the peasant; machine that does

not deprive man of opportunity to work, but lightens his burden and adds to his efficiency—machine which is the willing slave of man and does not make him but a machine, is to be welcomed. We shall, therefore, use all the latest gifts of science and technology in order to lighten and make more productive the toil of the farmer—but not at the cost of his independence or disappearance of his very farm, of course. “If we could have electricity in every village home”, Mahatma Gandhi has said, “I shall not mind villagers playing their implements and tools with electricity”²⁴. It is the tractor, the combine harvester and the power-driven thresher running a big collective farm that eliminate work and enslave the peasant, and it is to these that we are opposed.

We may remind the reader here that it was the introduction of the steam-engine for technical considerations that led to a change from individual, domestic work to collective factory work, but to-day when electrification and standardization have made enormous difference to industry and a decentralized economy with more humane conditions of work in smaller groups on the basis of voluntary co-operation, or even singly in individual homes, is an immediate possibility in the sphere of manufacturing industry, it will be an irony, indeed, if we shift over to a forced large-scale, mechanized agriculture with its attendant evils of bureaucracy, centralized control and destruction of individual initiative, especially, when mere mechanization does not add to production. With electric power a small machine shop may have, as in Japan where 70 per cent of the industry was carried on in small workshops in pre-war days, all the essential devices and machine tools—apart from specialized automatic machines—that only a large plant could have afforded a century ago; so the industrial worker to-day can regain most of the pleasure that the

²⁴ Harijan dated 22-6-1935

machine itself, by its increasing automatism, has been taking away from him "There need not be", says Dr. Shridharni²⁵, "for instance, large factory towns with their attendant slums, cesspools, dirt and disease. Henry Ford's vision has met Gandhiji's nostalgia for nature at least half-way India can apportion her industries and distribute her new factories over the country-side, so that even the industrial workers would retain the healthy touch of soil" Shall we reverse the process in agriculture and, by mechanizing his avocation, take away the pleasure from a peasant's life which his fellow-worker in industry is now regaining?

²⁵ "The Mahatma and the World", 1946, p. 235

CHAPTER V

PEASANT PROPRIETORSHIP—THE ONLY REMEDY

A little reflection will convince the reader that peasant proprietorship is the only system which can provide a workable solution to the land problem of this country, it is the only way to the greatest happiness of the largest number of Indians. The system has two underlying principles—firstly, that land should be regarded, not as a source of rent providing an unearned income for its owner, but as a definite and limited means for employing the labour of a class of citizens whose regular occupation is the tilling of the soil. Consequently, it should be allowed to be acquired only by him who is prepared to cultivate it himself—to the total exclusion of rent or income without labour.

Secondly, that, land being a national asset, the right to hold it should necessarily attach the obligation to use it in the national interest and nobody, therefore, has a right to abuse or misuse it, or, while holding it, not to use it. And, whether landlord or peasant, if the owner or holder does not fulfil the social and economic duties incumbent upon property, he must be treated as a speculator or a defaulter and be divested. It is to be noted that these principles were adopted by the German Nazi Party also in their official manifesto dated 6th March, 1930, issued from Munich on the position of the Party with regard to the farming population and agriculture, in fact they had already been advocated in pre-War Germany by so high an agricultural authority as Von Der Goltz and so distinguished an agrarian econo-

mist as Professor Sering and had begun to take shape in the "Retenguler" laws of Prussia. These are also the principles, as we have seen, which formed the basis of our own land economy in the hoary past

To express it in different language, private property has four incidents, viz, the owner may transfer it at his will, make proper use thereof, misuse or abuse it or not use it at all. As far as land is concerned, if the owner cultivates it himself, he makes proper use of it; if he lets it to another, he abuses or misuses it. We propose to continue only the first two rights out of four to its proprietor, viz, those of proper use and transfer, and to take away the other two, i.e., in case he exercises them, to confiscate the land in his possession without compensation

Although out of deference to the prejudices of the peasantry against "tenancy", the word "proprietorship" has been used, it will be well to keep in mind that the scheme advocated here is a compromise between absolute proprietorship by the peasant on one hand and a tenancy under the State on the other. While the cultivator may be regarded as the owner of his holding inasmuch as he will be entitled to alienate it, his title is subject to a superior right of the State to drive away the holder who fails to perform his duty towards the land. That is, he holds it under the State as a trustee of the community. What is proposed here is, in fact, an intermediate form, breaking away from the sharp conception of private property, and still falling short of state ownership or nationalization. It is clear that it can equally well be spoken of either as a limited ownership or as a permanent State tenancy with a right of alienation vested in the tenant. It reconciles the interests of the individual with those of the whole, it abolishes exploitation and inequality in the country-side and yet, unlike the kolhoz or sovhoz, does not destroy the individual. In this scheme there is

scope both for private effort and also for fulfilment of the social objectives. It eschews dogma—the two extremes of laissez-faire and totalitarian control. The struggle between the forces of an outworn, undiluted individualism and the new collective order has been overwhelming. We have to strike a balance.

There is no meaning in outright, absolute nationalization of land, i.e., acquisition of all the land in the country by the State, and treating of the cultivator as a mere tenant unless we collectivize our agriculture or establish State farming simultaneously. That is why, and sensibly enough, in no country in Europe where land is in individual possession of cultivators has it been nationalized. Collectivization and State farming, however, being neither practicable nor desirable in the interest of our country, one fails to understand why the right of transferring his land should not be given or continued to the cultivator, just as hereditary tenants enjoy this right even to-day in certain parts of India—and why, if individualist farming is to continue, we should not ask the cultivator to pay the cost of acquiring the landlord's rights and call him a 'proprietor', instead of asking the State to find the money and continuing to treat him as a 'tenant', that is, to keep him in a sort of subjection as before, though it be under the State hereafter. Among other reasons, without the right of transfer, co-operation among individual peasantry, especially in the sphere of credit, is not likely to be a success. Fears about exploitation and reappearance of landlordism are amply met, once we penalise letting or sub-letting by the holder or proprietor and set the upper limit to the farm.

And how will the advocates of nationalization deal with the land of those proprietors who till it themselves? Their number is not negligible, will this land also be paid for? Where is the sense in acquiring it first, and then continuing it in their own possession for cultivation? Or

will that land alone be acquired by the State which is to-day in possession of tenants? If so, will then two kinds of property in land exist side by side in the country?

One argument is often trotted out by advocates of nationalization against the use of the word 'proprietor' in reference to the cultivator, or against the creation of small property in land as the system of peasant proprietorship implies, viz, that peasant proprietors are the most stubborn class of capitalists who will never yield, or yield only with great difficulty, whenever in future the State feels called upon to nationalize the land and establish mechanized collective farms. But, we repeat, collectivization is not in the interest of India, and we have not to make a fetish of a scheme that may have succeeded in a particular country in the circumstances prevailing there. Collectivization is, at best, a means to an end, and not an end in itself, we can evolve a system having roots in our own soil or adopt one that has served the purpose so well in so many other countries. The end we have in view is abolition of exploitation on land, establishment of a democratic rural society, employment to the maximum possible extent, greatest possible yield per acre and preservation of individual liberty to the tiller of the soil consistent with the demands of social security or needs of the State. If peasant proprietorship with checks and balances that are proposed can answer the above purpose, we should not discard it simply because it does not bear the stamp of socialist approval. Let not the end be confused with the means.

Nationalization will chill the popular enthusiasm for "Abolition of Zemindari", rather, it is likely to create a great storm. Those who are tenants to-day are longing for ownership of their holdings, those who are tilling their own lands (which constitute 19 p c of the cultivated area in the U P and 30 p c in India as a whole) may feel like resisting. Also nationalization or abolition of private property in arable land should logic

ally lead to an immediate or simultaneous over-haul of the whole structure of our society—a full revolution of the wheel of social change right here and now, apart from its desirability, are we prepared for it just at present?

That is why the Congress Manifesto of 1945 while it lays down ownership, or control, of key or basic industries by the State as one of its aims, very wisely does not refer to nationalization of land, but speaks only of elimination of parasitic elements between the tiller and the State. Here is the relevant portion of the Manifesto —

“The reform of the land system, which is so urgently needed in India, involves the removal of intermediaries between the peasant and the State. The rights of such intermediaries should, therefore, be acquired on payment of equitable compensation. While individualist farming or peasant proprietorship should continue, progressive agriculture as well as the creation of new social values and incentives require some system of co-operative farming suited to Indian conditions.”

The reader will note there is not a word in the Manifesto about the vesting of the country's land in the nation or abolition of private property in land, it does not seek the elimination of the “zemindar” who is not a landlord, but, as in the Punjab, Rajputana or Western parts of U P, is a mere holder of land or tiller of the soil in his ownership. “Abolition of Zemindari” simply means and ought to mean, abolition of the landlord-tenant system, and no more. The Manifesto envisages the continuance of peasant proprietors combined in “some system of co-operative farming” and that is exactly what the present writer advocates. This is all about arable land, however, there can be no objection to the vesting of ownership and control of abadi lands, thorough-faies, ponds, etc., in the nation or the village community, preferably, in the latter.

The idea of ownership—even the kind of limited ownership that is proposed here—gives a feeling of security and a sense of attachment to, or interest in, land which nothing else calls out so strongly. There is a certain psychological satisfaction in the private ownership of one's farm which neither socialization nor any law on the restriction of the landlord's rights can supply. A peasant owner has been known to work harder and for longer hours than a tenant or a wage-labourer, the reward that he gets for his labour lies more in mental satisfaction and less in pecuniary gain. He does not reckon in the commercial way, and the peasant is right, for who can measure this, his income of independence and security derived from ownership of the land under his plough in terms of money? None can, it is imponderable.

We now proceed to point out some of the advantages of a system of small peasant proprietors over the landlord-tenant system and to controvert some of the objections raised thereto.

As the peasant will no longer have to pay higher rent to the landlords but lesser revenue to the State, it would improve the lot of the peasants by the extent of the difference in the two amounts. With greater proportion of his produce left to him, the quantity and quality of his food and, therefore, his health will improve. Not only this, but as soon as his chains are loosened he is certain to display a keen desire to attend to the improvement of his mind, there will be a demand for more schools and more libraries. It is unnecessary to add that as demands for comfort, health, education and entertainments will rise, industrialization of the country will get a fillip and traders and manufacturers will benefit greatly. (It is the degree of industrialization, on the other hand, which determines the level of the peasantry. In an industrial country peasant population can attain

a high standard of living because the farmer has the advantage of proximity to an urban market, which can buy meat or dairy products. That is why the standard of the peasant in Western Europe is higher than that obtaining in Eastern Europe)

Peasant proprietorship will establish a direct connection between the occupier and the State and will eliminate the middleman whose passing away from the scene will work a tremendous change in the relations between man and man. The oppressing landlord who has tyrannized without limit and the oppressed tenant who has sorrowed too long—both would have disappeared, in their place will arise a peasant who will be at once a proprietor and a wage-earner. Peasant proprietorship will, therefore, secure peace on the land and abolish litigation altogether, as an almost classless society will have been created in the country-side.

In addition to social peace and stability, the proposed system will bring about a psychological revolution which will transform the whole outlook of the rural population in no time. With its advent the country-side will blossom into a better life, the tenant with almost no rights to defend and no power to invoke, no property to cherish and no ambition to pursue, bent beneath the fear of his landlord and the weight of a future without hope, shall give way to the peasant with rights and a status, with a share in the fortunes and the government of his village and, though, it may be, standing in rags still, yet standing upon his feet all the same, with his head erect which will bow to none but to his country and to his God. And with the self-respect of the peasant thus restored, the country-side will have gained its equilibrium.

Those who are unconvinced of the superiority of peasant proprietorship over the landlord-tenant system or entertain doubts whether liquidation of landlords is in the interest of the country, would do well to go to the villages of Meerut and Muzaffarnagar districts in

the U P and, still better, to those of Rohtak and Karnal on the other side of the Jumna, pass through their streets and sit in the peasants' parlours for a talk with them, and to compare the condition of the farmers of these districts—a great proportion of whom own the land they cultivate—with that of the farmers in the Gorakhpore division and other eastern parts of the U P who hold land as tenants of big landlords. There is a world of difference, if there are poverty and little education in one case, only the blackest misery and utter ignorance prevail in the other. Pucca buildings are not uncommon in the villages of Meerut, Rohtak and neighbouring districts, while only kachcha huts meet the eye in the taluqdari villages of Oudh. The peasant proprietor of the former area walks erect and will look you in the face, whereas the tenant of the latter lacks self-confidence and does not feel himself your equal.

Co-operation is primarily the small man's instrument. It can render great service in bringing home the results of scientific research to the individual farmer and as peasant proprietors are found to co-operate better than tenants, the co-operative system has been attended with special success among the densely-populated countries of Europe where peasant ownership is the predominant land tenure. The Agricultural Tribunal of Investigation appointed by the British Government in December 1923 says in its report on page 257 —“The economies of Co-operation have assisted Danish peasant farmers to maintain themselves. But it is also true that the existence on the soil of a population of peasant owners has immensely stimulated co-operation. The farming population is very much more homogeneous than in England, it is made up of men in much more nearly the same sort of social position and with similar business interests.” The report of the above-said Tribunal points out also that co-operation of the mutual credit society type is a far greater success in Germany

than in England because the latter did not possess the same class of land-owning peasants, with the ampler basis for credit furnished by the fact of ownership

Further, peasant proprietorship develops a democratic rural society. And in our country the soul of whose people has expressed itself from times immemorial through her rural democracies and their manifold institutions which functioned upto the nineteenth century and were swept away by the onrush of the British system of centralized administration, and whose economic life is to-day almost entirely, and shall always largely continue to be, based on agriculture, political progress has no meaning unless it tends towards rural democracy. And as democracy cannot prosper in an atmosphere of undue economic inequality, our agrarian policy must be directed towards organizing the country on the foundation of a homogeneous peasantry—on a basis where there is no landlord and no tenant, but every body owner of the land he tills, and, therefore, the equal of the other fellow. Pandit Jawaharlal Nehru's following remark about the Chinese Industrial Co-operatives may well have been written of peasant proprietary, "On this basis political democracy may survive, it is doubtful if it can do so on any other basis." The kolhoz leads to totalitarianism, the present system leads to oligarchy.

"Farm ownership and the small farm", says F. C. Howe, "are the economic bases of Danish life. To these economic conditions other things are traceable. The kind of land tenure that prevails is the mould of the civilization of a State. This is true of nearly all countries. It is hardly a coincidence that wherever we find hereditary landlordism, as in Great Britain and Prussia, there we have political reaction. There is, so far as I know, no exception to this rule. It was this that explained old Russia. It was land monopoly that lay back of the Irish question and the long-continued

poverty of the Irish people On the other hand, whenever we find the people owning their own homes and cultivating their own land, there we find an entirely different spirit and a different political system With ownership we find democracy, responsible government, and with them the hope, ambition and freedom that prevails in France, Holland, Switzerland and the Scandinavian countries For these are the countries where the people, rather than the old feudal aristocracy, own the land”¹

We have above laid down the principle that land being a national asset, the holder is under an obligation to use it in the national interest and nobody has a right to abuse it or misuse it Now, we in India are faced, in the immediate present, by the problem of employing and maintaining a huge population—one-fifth of that of the whole world National interest, therefore, requires that its land economy should be such as to keep a maximum possible number of hands employed and to enable them to eke the best possible out of this gift of nature—the limited quantity of land at our disposal, so that food, clothing and other necessities of life may be provided for the country’s increasing millions It is submitted that an economy of small holdings alone, as against that of large farms whether private or collective, can fulfil this need, that intensive farming, which is the application of more labour and more capital to the present or given land resources, is the only and the most hopeful way out of the quandary in which we find ourselves A system of peasant ownership can serve to keep on the soil a comparatively larger number of people in conditions which render them reasonably happy and to make the soil yield greater output—according to some, gross output only, according to others, both gross and net For the instruction of those who still, as a matter

¹ “Denmark A Co-operative Commonwealth”, 1922, p 71

of fashion and unthinkingly, advocate the adoption of large mechanized farms as the model for this old, densely populated country, it is necessary to point out, firstly, that the density of the rural population varies inversely with the size of the farm

Small holdings limit the use of machines and lead to intensive agriculture which finds employment for manual labour in far greater numbers than does extensive agriculture or large farms worked by machines. The number employed per 100 acres in countries where small holdings predominate is greater than that employed in countries where large holdings form a large percentage. In the Irish Free State, for example, on equal areas of land there are five times as many persons working on farms of 15 to 30 acres and three times as many on farms of 30 to 50 acres as on farms of over 200 acres, and similar results are obtained from English, German and Danish statistics. According to Lord Addison, an ex-Minister of Agriculture, records, prepared for the Government in 1930-31 for thirty-five different county council estates comprising nearly 17,000 acres, showed that population on these council lands, after they had been divided into small holdings, had increased from 1,048 to 2,298². According to a recent publication of the International Institute of Agriculture, small rural undertakings in Central and Eastern Europe now provide work for between twice and three times as many persons per unit of area as large undertakings.

Secondly, as we have shown earlier in another place, production diminishes in the proportion in which the size of the agricultural undertaking increases. According to an address delivered by Professor Sering in the Emperor's presence before the German Agricultural

² A Policy for British Agriculture

Council in 1913, quoted in a memorandum submitted to the British Agricultural Tribunal of Investigation in 1924, "the evidence is conclusive that the new peasant holdings in the eastern provinces not only doubled the number of inhabitants in the colonized area—and that within ten years, they increased the cattle in the area from two to three-fold, the pigs three to four-fold, while the grain crops were in some cases half as large again, in others doubled. This was, of course, only by dint of harder work than mere hired labourers would care to perform, and by making use of their children and women and old people to do the extra harvest work for which the great land-owners had to rely on Polish season workers"

The reader here should not fail to note the economic significance of peasant farming in that it carries more cattle to the acre than the large farm, that is to say, more capital. Also incidentally, that in so far as it promotes more intensive production through investing in farm livestock, peasant farming tends to increase the volume of employment.

This intensification of production is not achieved at the cost of lower earnings, that is, the peasant produces more to the acre, not by reducing his standard of living, as is sometimes argued. A big farm cannot undertake intensification because it carries no excess labour capacity and has to depend entirely on paid casual labour at critical periods of the year (whose wages, by the way, are or have to be paid in corn, usually quite a good share of the harvest). "The peasant farmer, on the other hand, must regard his family labour as a fixed factor—something which must be maintained whether working or not—and he tries therefore to fill spare time by keeping livestock which adds to his output, and utilizes this fixed factor more fully. His earnings per hour may be less than on the big farm, but his total earnings will certainly be bigger. Consequently pea-

sant farming means a better utilization of the labour force”³

Further, it has even been claimed that only the family farm can be relied upon to maintain soil fertility, for by intensifying livestock production the family farm provides organic manure—the first need of good agriculture. There can be no contradicting the fact that farmyard manure or waste of cattle is the best fertilizer, as for chemical fertilizers there is a difference of opinion among scientists to this day about their utility. Some hold that artificial manure in the long run depletes the soil and renders it barren.

The British Agricultural Tribunal goes on to say on page 87 of its report —“We believe that the productivity of European agriculture, particularly of that of Denmark, Germany and Belgium, where the output has been the greatest, has been largely due to the attention given to the organization of the family farming system, and in Denmark which still offers the most instructive field for comparison, the maintenance and extension of the system have been regarded as the most secure foundation for obtaining the maximum out of the land, while, at the same time developing a democratic and rural social community”

“Social (sic) ownership and planning by the community” says Lewis Mumford, “do not necessarily mean large-scale farming, for the efficient economic units differ with the type of farming, and the large mechanized units suitable to the cultivation of the wheatlands of the prairies are in fact inappropriate to other types of farming. Neither does such a system of nationalization invariably mean the extinction of the small family farming group, with the skill and initiative and general intelligence that distinguishes the farmer favourably

³ ‘Economics of Peasant Farming’ D Warriner 1939, p 148

from the over-specialized factory worker of the old style".⁴

A 'family farm' may be defined as a farm worked by the occupier and members of his family, with or without some hired labour

Even if we accept the conclusion of those experts who, while conceding that the gross return per acre varies in proportion to decreasing, i.e., inversely to increasing size of farm, hold that the return per man employed as well as the net return per acre, varies up to a certain point in an opposite manner, in other words, in proportion to size of farm, yet from a national and social point of view a system that will employ a larger number of men and yield a greater out-put on the acreage basis, will suit us best. The fundamental objective of agriculture in our conditions should be, not profit or output per man, but production and employment.

So we have to keep to the small family farm as the basis of our land system, with this improvement that all tenants have to be raised to proprietorship and steps have to be devised to ensure that no middleman interposes himself again between the State and the tiller. Large farms, if any, have certainly to go.

Socialists and communists are fond of raising one hackneyed objection against peasant proprietary, viz., that this system envisages a pre-capitalist society out of which Capitalism has emerged, and that its establishment or re-establishment would mean turning back of the wheel of progress. That the logic of agricultural evolution, or of history in general, demands the abolition of private property in land and the establishment of a planned system of production for use, based upon the technical advances achieved by capitalism. The fundamental tenet of Marxism is that there should be no private property in the means of production and that land

⁴ "Technics and Civilization" 1934 p 381

being a means of production—and the most important at that—it should not be allowed to be owned and exploited by individuals for private profit. Here is the case of the Communists *re* agriculture in brief —

“It is the same too in history. All civilized peoples,” writes Engles, “begin with the common ownership of the land. With all peoples who have passed a certain primitive stage, in the course of the development of agriculture this common ownership becomes a fetter on production. It is abolished, negated, and, after a longer or shorter series of intermediate stages, is transformed into private property. But at a higher stage of agricultural development, brought about by private property in land itself, private property in turn becomes a fetter on production as is the case to-day, both with small and large landownership. The demand that it also should be negated, that it should once again be transformed into common property, necessarily arises. But this demand does not mean the restoration of the old original common ownership, but the institution of a far higher and more developed form of possession in common which, far from being a hindrance to production, on the contrary for the first time frees production from all fetters and gives it the possibility of making full use of modern chemical discoveries and mechanical inventions.”⁵

Small private property in land, as already seen, instead of being ‘a fetter on production’, is rather an encouragement to higher production, and ‘mechanical inventions’ have not been proved to by themselves produce two ears of corn where one grew before. Nor is there any reason to suppose that establishment of a *planned system* of production is an indispensable preliminary to an exploitation of the technical advances made possible during the last 150 years of Capitalism, or, to a “full use of modern chemical discoveries”

⁵ Anti-Duching, pp. 156-57

Here, before proceeding further, it would be profitable to examine briefly the economic system that prevailed before the advent of, and its transition to, Capitalism

In former times, the purpose of all industrial activity was maintenance, rather than gain, Production was carried on in agriculture, as in manufacturing industry, to supply the needs of the producers directly and to a very small extent only for the market The peasant rarely went to market as buyer or seller He supplied nearly all his needs from the land on which he lived, he and his family producing for their own consumption and sending only surpluses and by-products to the market. What limited need he had for manufactured goods was satisfied by the products of household industry, except in the few cases in which special skill or more elaborate tools than he possessed were required And whatever outside assistance was needed was usually paid for in produce Much of the business of the handicraftsman was custom work, wherein the customer furnished the material and paid only for the labour, and for that sometimes in goods rather than in money

All those engaged in the several manufacturing industries in medieval Europe were organized in guilds, governed by the master-workman The guilds determined in minute detail when, where and at what price the raw material and the finished goods should be bought and sold, and how they should be made They guarded the interests of the producers by rules which restricted competition in buying materials, and which limited the number of workmen in the trade, they protected the interests of the consumers by regulations regarding the quality and price of goods In India the proto-type of the guild was the hereditary caste which shielded its members against competition and assured them a living

It was an age of status when it was thought proper

and necessary that a person's economic means should correspond to his social position. While, therefore, an effort was made to put every member of society in the way to secure a livelihood suited to his social position and to prevent other people from interfering with him, it was considered impolitic to allow individuals to produce more than was necessary to maintain them in the social class to which they belonged. That is why the producer-handicraftsman was prevented from extending his operations or enlarging his business. We do not know definitely, but, perhaps, the peasant too was not allowed to take more land to his business than was necessary for the requirements of his family.

The epoch-making discoveries and inventions of the later half of the eighteenth century, however, resulting in improvement in the technique of production, brought about a change. They gave man tremendous power over natural forces, to make use of which machinery, in other words, capital, was required. With the advent of the machine and its owner, the Capitalist, the expansion of commerce and the opening up of new markets, there came a fundamental revolution in the manner of conducting manufacturing industry, the idea of gain replaced the idea of earning a mere livelihood. With a broader market stimulating him to increased production and with the need of more and more capital to enable him to extend operations and to exploit the new inventions, forcing him to earn and to save beyond the requirements of mere sustenance of himself and family, the industrial master-workman underwent a fundamental change and became transformed into the industrial entrepreneur.

It was only when industry had begun to take on a capitalistic form in consequence of a growing commerce and the invention of technical improvements in production, that the guild ordinances came to be regarded as evils. Since the Capitalistic producer was stronger in

competition than his handicraft rivals, the regulations which prevented competition hindered rather than helped him. Capitalism was, therefore, the opponent of industrial restriction. Aided by the political philosophy of "natural rights", it broke through the bonds of medieval regulation, and attained economic freedom under the principle of free competition as the sufficient regulator of values and economic relations. Society no longer assured a living to anybody, everybody was to take his chance, and the devil to take the hindmost. The human element, manual skill and personal relations no longer counted, it was the simple possession of capital that gave power and the property relations that mattered.

John Strachey, writing how land was enclosed in England for the purpose of deriving profit from wool-raising, remarks —

"The enormous process of the enclosure of the land of England had begun. *Hitherto it had been tilled on the basis of production for use, now it was to be tilled on the basis of production for profit.* This process began before 1500 and was not finally completed until about 1850"⁶ (*Italics are ours*)

Further on he describes why this change-over to capitalism took place —

"As More saw so vividly, capitalist private property in the means of production could only be established by the confiscation of the scattered, small-scale means of production hitherto belonging to the mass of the population. For you cannot use any given means of production simultaneously for the two purposes of production for use and production for profit. The land of England, for example, could not be used for the production of a profit, unless and until it was taken from the peasants, *who were using it to produce food.* In the same way,

⁶ "The Theory and Practice of Socialism", Chap. XVII

the production of clothes, tools and luxuries could not be organized upon a profit-making basis until and unless the existing system of production was abolished. *For under the then existing system of production these goods were made for use* by small masters, employing an apprentice or so, and organized in self-governing guilds, the ordinances of which were expressly designed to prevent the accumulation of considerable profit. The property of guild members in the means of production of their trade had to be directly or indirectly confiscated if the new, large-scale masters were ever to get a start ”⁷ (Italics are ours).

It is profitable to bear in mind that in some cases at least the handicrafts did not vanish from the scene by virtue of economical laws or as a result of natural evolution, but were studiedly and systematically rooted out by the vested interests by calling State power to their aid. The case of Indian hand-woven textiles is in point. Here is the impartial verdict of H. N. Wilson, historian of India—

“It is also a melancholy instance of the wrong done to India by the country on which she has become dependent. It was stated in evidence (in 1813) that the cotton and silk goods of India upto the period could be sold for a profit in the British market at a price from 50 to 60 per cent lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 and 80 per cent on their value or by positive prohibition. Had this not been the case, had not such prohibitory duties and decrees existed, the mills of Paisley and Manchester would have been stopped in their outset, and could scarcely have been again set in motion, even by the power of steam. They were created by the sacrifice of the Indian manufacture. Had India been independent, she should have retaliated, would

⁷ Ibid

have imposed prohibitive duties upon British goods, and would thus have preserved her own productive industry from annihilation. This act of self-defence was not permitted her, she was at the mercy of the stranger. British goods were forced upon her without paying any duty, and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms."

What other forms the exercise of this political power by the foreigner took in this land is known to every educated Indian to his abiding regret.

Three points emerge from the above review of the pre-capitalist economy. Firstly, that in former times land had been tilled and goods made on the basis of production for use, the fundamental idea of industry, agricultural and manufacturing, was livelihood, rather than profit. Secondly that while manufacturing industry was organized on self-governing guilds, there was no such organization in agriculture and it was carried on by individual peasant-proprietors independently of each other. At least there was no such minute regulation in agriculture, as there was in manufacturing industry. Thirdly, that while discoveries and inventions of the eighteenth century ushered in a revolution in manufacturing industry, no such revolution or technical improvements in production occurred in agriculture. This is admitted by John Strachey when he says that one of the three causes of the failure of Owenite colonies was 'that anything like a two-hundredfold increase in men's capacity to produce wealth had occurred in the textile industry alone, not in agriculture'. Agricultural production being basically a biological, not a mechanical, process, the introduction of the steam-engine, the machine, could not increase men's capacity to eke raw materials from land, at least not to any appreciable degree.

One fails to understand then why we should not strive to establish peasant proprietorship which was a system of production for use, or why it should be given up where it exists John Strachey, however, supplies an answer He says

"We may describe the purpose of the establishment of socialism and communism as being to restore at last the stability, security, social freedom and equality enjoyed by the old free man of the gentile order, while retaining the immense gains in economic power made during the epoch of private property, trade, class divisions and the state"⁸ He further says that this can be done only by the organization of a system of planned production for use, such as obtains in the U S S R

As has been pointed out above, however, "the immense gains in economic power" have been made in manufacturing industry alone, not in agriculture. There are no technical gains in agriculture such as need to be consolidated by socialization of land or establishment of communism Agriculture was carried on, on the basis of production for use, it can be so carried on to-day without a *plan* and yet securing 'stability, security, social freedom and equality' in the country-side. Even if we concede that the big farms can use better technical methods, these methods need not necessarily be more economic and, secondly, peasant farming as such offers no hindrance to technical progress which can be achieved by co-operative action on the part of peasants

Although the course of history may have vindicated some of Marx's forecasts in the field of manufacturing industry, yet it cannot be concealed or denied that his doctrines have signally failed to materialize as far as agriculture is concerned For example, there has been no inevitable concentration of property in fewer and fewer

⁸ Chapter XVII, *Ibid*

hands in agriculture. The average unit of agriculture—the agricultural “business”—remains as small as ever it was, and its typical manager is still the working peasant or the very small farmer. ‘The scattered, small-scale, means of production hitherto belonging to the mass of the population’ have been confiscated nowhere save in England where, it may be stated, the liquidation of the peasantry was the result of political influence and not of technical necessity, rather, the larger unit, wherever it existed, has been broken into smaller ones—a unique instance of deviation from the economic laws operating in manufacturing industry. And the striking fact is that countries which have had most experience of the small family farm system, so far from receding from the system, have been, even before the First Great War, and still more markedly since, engaged in a policy of increasing these holdings. Even in England the establishment of small farms has been adopted as a State policy since 1875 onwards.

If larger farms really indicate a higher degree of efficiency, one would expect them to find in countries which are economically more advanced, and where agricultural technique stands at the highest level. But in fact, we repeat, small family farms prevail in most advanced countries and are everywhere the rule on the continent of Europe (with the exception, before the Second World War, of certain regions in Eastern Germany, Hungary and Poland) and if they continue to exist, it is a proof that they can offer an income at least as high as big farms.

Due to a difference in the underlying forces which dominate the agricultural and manufacturing industries, entirely different types of producing units have been evolved. In spite of the fact that the industrialization of agriculture seems to be under way, that even the League of Nations’ Committee on Agricultural questions has laid down ‘profit-making’ as the aim of agriculture,

that in many places money crops are taking the place of food crops, and, finally, that the peasant is becoming more and more dependent on the market for the necessities and comforts of life, agriculture, alone of all the great industries, still continues to be conducted typically on the basis of a one-man or one-family producing unit "This resistance to change in agriculture is due to the relatively self-sufficient character of each producing unit in the industry, a peculiarity that has continued in spite of the partial commercialization of farming. The farmer is practically always sure of raising at least as much as he needs for maintaining himself and his family, and this fact makes him to a very large extent independent of the existing economic conditions".⁹ That is also why, in agriculture, the inefficient producer can survive almost indefinitely, while manufacturers who do not adopt new machines or processes find themselves rapidly falling behind in the competitive struggle and tend to be eliminated in a short time

Still another prophecy of Marx has not come true in agriculture —

"Society", says the Communist Manifesto, "is as a whole splitting up more and more into two great hostile camps, into two classes directly facing each other—the bourgeoisie and the proletariat. The lower strata of the middle class, the small trades-people, shop-keepers, and retired tradesmen generally, the handicraftsmen and peasants, all these sink gradually into the proletariat"

Society has not developed into two clear-cut camps of exploiters on the one hand and exploited on the other. Peasants have not sunk into the proletariat, and the agricultural "*wage-slaves*" of Marxian economics have simply not come into existence—at least they have not grown visibly—in Europe, America or anywhere else, partial industrializing and commercializing of agriculture

⁹ "Businessmen's Commission on Agriculture", p 119

notwithstanding. In the U P., for instance, according to the census of 1931, while the number of cultivators, viz, cultivating owners and tenants, was 13,807,157, that of agricultural labourers was only 3,419,185. The ratio of agricultural labourers to actual cultivators for all India was 407 1,000. There can, therefore, be no question of wage slavery and a proletariat in a society where the number of potential employers is far greater than that of those actually employed or available for employment. Thus labour in an Indian village enters into the realm of commodity in a very limited sense only. In agricultural matters, it must be said, Marx was all wrong. (As pointed out before, he is being contradicted even in the field of manufacturing industry).

While agriculture can continue to be conducted, as before, on a one-man or one-family basis and can do without a Plan and all that a State Planning Commission implies, the principles of laissez faire and free competition and other changes brought about in manufacturing industry as a consequence of the industrial Revolution call for reconsideration. It was in the sphere of manufacturing industry that a guild was required in the medieval times, something of the sort is again required to-day. As its organization beyond a certain point tends to make free competition impossible, failing which the community must depend upon the law of monopoly price, there must be a return to the principles of social regulation in manufacturing industry. State ownership of heavy and basic industries and public utilities, along with a large-scale organization of decentralized, co-operative industry based upon small-scale workshops producing standardized parts and worked by electricity, somewhat on the lines of the Chinese Industrial Co-operatives started during the last War, and subject, of course to legislation by the State—would, perhaps, meet the needs of industry.

In the collectivization drive in Russia economic

motives were really absent, all the motive power came from the social theory, viz, the peasant was a capitalist and must go (That mixed farming characteristic of Western Europe, or intensive cultivation of the Russian steppes by peasants, being impossible owing to scanty rainfall, collectivization of farming may be justifiable as an economic policy, is a different matter) In a speech entitled "Problems of Agrarian Policy in the U S S R" delivered at the conference of Marxist students on December 27, 1929, Stalin declared—"Of course, small-peasant commodity economy is not yet capitalist economy as capitalist economy is not yet of economy as capitalist economy, for it rests on the private ownership of the means of production Lenin was a thousand times right when, in his notes on Bukharin's "*Economics of the Transition Period*", he referred to the 'commodity—Capitalist tendency of the peasantry' as opposed to the socialist tendency of the proletariat This explains why 'small producing engenders capitalism and the bourgeoisie continuously, daily, hourly, spontaneously, and on a mass scale, (Lenin)" Four years earlier, however, we may point out as a matter of historical interest, Stalin had expressed his opinion thus, somewhat differently—"Peasant farming, is not capitalist farming' Peasant farming, if you take the overwhelming majority of the peasant farms, is small-commodity farming' And what is small commodity peasant farming? It is farming standing at the cross-roads between capitalism and socialism It may develop in the direction of socialism, as it should do here, in our country, under the dictatorship of the proletariat"¹⁰

Our communist friends should be able to see that the system of peasant ownership, with 'checks and balances' that are proposed, shall never develop into a system of large farms, that private property in agri-

¹⁰ Vide 'On the Problems of Lennism', Jan 23, 1926

culture shall not be allowed to accumulate, that it shall not 'engender capitalism' and, therefore, that all their stock arguments about the injustices of a capitalistic system, surplus value, exploitation, etc., are pointless. A given means of production may be used simultaneously for the two purposes of production for use and production for profit, and yet there may be no 'wage-slaves' or exploitation. In evidence of this assertion it may once more be pointed out here that peasant farming in the European countries has not developed in the direction of capitalism, as feared or predicted by Stalin.

To call the peasant a capitalist is a perversion of facts since the capitalist's real job of accumulating capital was never performed by the peasant. A peasant proprietor is neither a capitalist nor a labourer in the usual sense of the terms. Although he may occasionally employ others, he is both his own master and his own servant. The peasant-proprietor performs a composite of functions, he owns all the land himself, performs an important and larger part of the manual labour himself and supplies all the capital himself. Thus he is the owner, labourer, capitalist and even the entrepreneur or manager all rolled into one. "He alone is at once a proprietor and a wage-earner—a position of mixed interest that offers a stubborn challenge to both the economists' inquiries and the legislators' programmes".¹¹ He does not exploit others, nor is he exploited by others, for he labours for himself and his children alone and he does not look for remuneration of his hard work at the farm in the way that a factory worker does. As indicated previously, he is not inspired by economic motives alone.

Liberty and collectivized economy ill go together; the great problem, therefore, confronting the socialist or communist theorist to-day is how to reconcile democracy with State-controlled industry, how to achieve the

¹¹ "Businessmen's Commission on Agriculture", p. 6

balance between individual liberty and social security. While landlordism exploits the cultivator and should therefore, be scrapped collectivization robs him of his independence and should not be introduced. Peasant proprietary will, however, both protect him against exploitation and ensure perfect freedom of conduct. It is, we repeat, the last bulwark of democracy

"It is true", said Mihalche, the Rumanian Minister of Agriculture speaking in 1920 on his agrarian bill seeking to break up large estates, "that the ideal (viz, that of peasant proprietary) is laughed at by the socialists

but it is a natural ideal for any country which is still far from industrialized. And before coming to that distant Socialist heaven the country must first pass under the Sign of the Peasant"

Shri Jai Prakash Naram, a socialist leader of our country while conceding that one of the two solutions of the inequalities, maladjustments and injustices of the present-day society, is so to change it that every individual may either cultivate his own land without paying rent to any one or work with his own tools in his workshop and that concentration of larger means of production than can possibly be worked by a man with his own hands is prohibited, goes on to raise four objections to this solution. Firstly, that while such a transformation of society being as drastic as the socialization or nationalization of all means of production and requiring dictatorship to bring it about, there is no sense in stopping short and not going the whole hog. Secondly, that under this system of peasant ownership and handicrafts, the masses will remain economically, culturally and ethically at a lower level than the members of a socialist society. Thirdly, that such a society, in absence of heavy industry, would remain militarily weak—a standing invitation for aggression by strong, rapacious states. Fourthly, that in an individualistic society no efficient and long-term planning would be possible while India

stands so badly in need of planned development.¹²

In answer to the first objection, it is enough to point out that none of the countries of Europe where, excepting Britain and the U. S. S. R., peasant proprietary is the vogue on land, did it take a dictator to establish it. Everywhere the change has been brought about peacefully through legislation. The second and third objections posit that with peasant proprietorship a system of handicrafts is inevitable. This assumption, however, is untenable inasmuch as we find in Europe heavy industries existing side by side with peasant proprietary, making for strong military states, with a rural population, in some countries with a standard higher, but in none lower, than that of the *kolhozniki* of the U. S. S. R. It may be stated here in brief that for elimination of exploitation in the industrial sphere, it is proposed to nationalize certain key or basic industries and impose restrictions on private enterprise in others. The fourth objection is not serious as Shri Jai Prakash Narain himself admits that production of given crops may be stimulated or controlled by preferential taxation. Also, we should not forget, that total control or a fully collectivist order postulated by socialism is not an undiluted good.

However one may take it, for India, circumstanced as she is to-day, peasant ownership is the ideal economy—the next step at any rate or the final step as you will.

Besides its economic advantages, a system of peasant-ownership has clearly numerous social and political advantages as well which have, as we have said before, no doubt weighed the scales in favour of this class of tenure in practically every European country, particularly since the First Great War. In the countries of Central and Eastern Europe alone 50 million acres have passed from the hands of land-owners into those of small agriculturists and the formation of a class of

¹² "Why Socialism", pp 17-18, 50-53

peasant proprietors is of fundamental importance in the social and economic regeneration of these countries. To take an example, in 1914 fifty-nine per cent of the cultivated surface of Rumania was, as a result of the reforms of 1887 and 1907, owned by small holders and forty per cent by the big proprietors. After the reform of 1921 eighty-nine per cent of the land belonged to the peasants and only a little more than ten per cent to the large stages. Small peasant properties sufficient to provide a single family with more or less independent livelihood are the general rule in France, Belgium and Denmark also. Ireland offers a remarkable example of the creation of a peasant proprietary where, by the series of measures beginning with the Ashbourne Act of 1885 and culminating in the Wyndham Act of 1903, practically the whole soil of the country has been transferred to the tenantry by means of State advances.

PEASANT OWNERSHIP IN GERMANY

Germany also is on the whole a land of peasant-proprietors. According to a memorandum submitted to the British Agricultural Tribunal, after the last War peasant owners in Germany cultivated little short of three-fourths of land, and the proportion has considerably risen since then. With reference to the size of the holdings and consequently the manner of cultivation, Germany may be divided into three divisions: one division includes the whole eastern portion, where the prevailing type is still, or to be more correct, was till before the cessation of the last War, the large estate, owned by the aristocratic "Junker" and cultivated with the aid of hired labour. These Prussian "Junkers" possess or possessed a political power, by reason of their superior social position, quite out of proportion to their numbers. A second division would include North-West Germany, the middle States and Bavaria. Here the prevailing type

is the peasant farm of from twenty-five to two hundred and fifty acres, cultivated by the peasant himself, with the assistance of one or more hired man, perhaps. The third division would include South-West Germany, where the land is cultivated in very small parcels, and where most of the holdings are less than fifteen acres in size. By intensive cultivation, these small parcels of land are made to support the peasant family. More than four-fifths of the whole Rhineland is cultivated in farms of less than twelve and a half acres

Here although beginnings had been made as early as the first quarter of the last century, land settlement may be divided into three principal phases. The first which began under Bismarck in 1886 and lasted until the end of the First Great War, was prompted chiefly by ethic motives. The second, based on the Weimar constitution, lasted from 1919 to 1933, and was influenced chiefly by theories of social policy. The third, dating from 1933, draws its inspiration from nationalist and racial conceptions.

Under the various laws on settlement of 1886 and 1890-91, three forms were available for the purchase of rent of land, viz 1 Lease-hold tenure, 2 Purchase for cash, 3 Rentengulbesitz, i.e., possession in return for payment of a fixed rent (royalty) to the State.

Contracts of the last-named kind which offered to agriculturists the advantage of tenancy and ownership combined, were preferred in almost every case. Special clauses provided for State management and sound control, for example, these holdings were never to be sub-divided or mortgaged. Some 600,000 hectares were distributed amongst 44,000 settlers under this programme. The laws were applied with most vigour where they were most needed—in Pomerania and the Prussias.

The second phase of land settlement was inaugurated by the National Settlement Law of August 11, 1919,

which was undoubtedly the most important agrarian enactment since the Stein-Hardenberg legislation (1807-1816). In general this phase showed better results than the pre-war period. The important changes embodied in this law consisted in the provision regarding settlement on land adjacent to agricultural undertakings, i.e., the extension of small holdings to enable them to support entire families.

Land for settlement was obtained from the following sources. Some 77 p. c. came from large private estates of more than 100 hectares, 10.4 p. c. from other estates of less than 100 hectares and 9 p. c. from public bodies, while 3.6 p. c. consisted of marshy and waste land brought into cultivation. Each settlement cost about RM 23,000, and was financed entirely out of public funds. Between 1919 and 1933, an area of 1,040,000 hectares was acquired for settlement, of which 821,552 were actually settled, 662,407 hectares being used for the establishment of 62,371 new undertakings, and 159,143 hectares for enlargement of 104,621 existing undertakings.

The land-mark of the third phase is the Law of September 29, 1933, on Hereditary Peasant Holdings, with which, however we will deal later. Here we are concerned with the Law concerning the Extinction of Entails promulgated in Germany on June 30 and in Australia on October 1, 1938. Although the breaking of the entails, which in Prussia numbered 1311 in 1914 and comprised $2\frac{1}{2}$ million ha of untransferable land or 7.1 p. c. of the total area, had been allowed and encouraged by the Prussian decree of May 13, 1919, but with a view to increasing the area of agricultural and forest land which could be cultivated by independent peasants, land was compulsorily freed from entail. Under the above law all entails were abolished. Henceforth there was to be only one form of property, subject to special successional conditions—namely, the heredi-

tary peasant holding, the area of which may not exceed 125 hectares

The number of peasant undertakings newly established was 4,914 in 1933, 4,933 in 1934, 3,905 in 1935, 3,308 in 1936 and in 1937 only 1,785 as compared with 9,000 for each of the two years, 1931 and 1932. The reason for this decrease is that in 1932 land cost RM 643 per hectare, while by 1935 the price had risen to RM. 905 per hectare, and has risen continuously ever since.

ENGLISH SYSTEM AND SMALL HOLDINGS

Before leaving the subject of the land tenure systems in Europe it would not be out of place to give in a very brief outline the system that obtains in England. It will show incidentally how the mind of the Englishman works, and that mind is reflected in the agrarian economy that he has partly imposed and helped in maintaining in India.

Compared with continental countries, England is mainly a country of large and medium-sized farms, those of fifty acres and more (141000), constituting, according to the agricultural census of 1930, 35.6 p.c. of the total number of farms and 84 p.c. of the area. The rest, 255,000 in number, cover only 16 p.c. of the area. It is also the outstanding example of a country in which leased lands are the rule, viz., 64 per cent was worked on lease in 1927, and only a little more than one-third, 36 per cent, out of the agricultural acreage of 25,675,000 acres was directly worked by the owner. Leases generally run only for one year, but farmers usually hold the same farm all their lives.

Under the laws of inheritance, the whole landed estate passes to the eldest son without any compensation being paid to brothers and sisters. Movable property alone is divisible.

In spite of the fact that England is largely a country

of big agricultural undertakings, her statesmen have always recognized the utility of small farms. As early as 1875, a law was passed, viz., the Agricultural Holdings Act, to encourage the creation of small holdings.

The 1908 Small Holdings and Allotments Act had a wider purpose: the creation not only of small holdings, but of employment for agricultural labourers, under it the Minister of Agriculture was empowered to create and lease small holdings and homesteads, the cost of which was to be met by the councils. A particularly important provision of the Act was that empowering the county councils to expropriate land when they could not obtain it by voluntary agreement. The Act defined small holdings as agricultural undertakings over one acre but less than fifty acres in area, holdings exceeding fifty acres being included only if, at the time of sale or leasing, the annual value for income-tax purposes did not exceed £500. Allotments were limited to a maximum area of five acres, except in certain special cases. Under the terms of this Act, 13,270 farms of a total area of 18,6768 acres, representing a little over 5 p c of the total number of small undertakings in the country below 50 acres, had been established up to December 1918. The average size of each farm was 14 acres.

Still another law, the Land Settlement (Facilities) Act, was passed in 1919 which encouraged the purchase of land by county councils and by the Board of Agriculture. It empowered county councils to acquire land for the creation of small holdings in exchange for permanent annuities payable by the councils. These annuities could be redeemed by the councils at any time, at a price to be settled by agreement, or, failing such agreement, at the average price of government securities yielding in annual interest an amount equal to one annuity. Up to December 1924, 16550 holdings (not exceeding 50 acres in area) had been created under this

Act The total area involved was 254520 acres, the average size of each farm being equal to 16 acres

The above summary shows that governmental action to encourage small holdings has not given results commensurate with the efforts made In 1930, out of a total of 255000 small holdings in England and Wales, only 31000 or approximately 12 p c had been created since 1908 under the terms of the relevant Acts The number of small holdings owned by the farmers was quite insignificant, only 451, or about 1.5 p c. of the total, the rest being lease-holds The terms under which land was sold for small holdings by the county councils were not such as to encourage farmers to become owners.

The Agricultural Tribunal had reported in 1924 that the time had come for a fresh and large effort to be made to extend the establishment of small holders on the land and that it was highly desirable in the national interest to make the effort Accordingly the Land Utilization Act was passed in 1931 which empowered the Minister of Agriculture to provide small holdings where the county councils were failing to exercise the powers that the Parliament had conferred on them What the effect of this Act has been is not known, the days of the landlord tenant system even in England, however, are numbered Land tenure formed the subject of a serious discussion in the country when the Second World War broke out

Our great neighbour, China, too hopes to provide equal rights and equal opportunity of land utilization for all the people "Those who till the land should have the land" is a principle laid down by the late Dr Sun Yat-sen, advocated by the Kuomintang and accepted, at least theoretically, by the present Government.

Coming to India we are glad to find that the ideal of peasant ownership is gaining support in this country as well The Bengal Land Revenue Commission presided

over by Sir Francis Floud recommended in April 1940, by a majority, and the principle has been accepted by the provincial legislature, that all intermediate interests between the State and the actual cultivator, which in some districts in Bengal, had, as we have seen, reached the number of fifty and even more, be bought out and a direct relation be established between the tiller and the State. Sir Mani Lal B Nanavati opined in his presidential address to the Indian Society of Agricultural Economics that there is no solution of the evils that have crept into our land system save by the extension of peasant proprietorship "Then, agricultural reforms", writes Mr N Gangulee, a member of the Royal Commission on Agriculture (1928), "must begin with the simplification of the land tenure systems of the country, and the time is passed for fitful efforts. The actual tiller of the soil must be the proprietor of the land. Once this is done, you will prepare the way for many other conditions precedent to rural and agricultural developments. Will they have the courage to end the Permanent Settlement?"¹³

"Our agriculture, too," says Acharya J B Kripalani in his presidential address to the Meerut session of the All-India National Congress delivered on 23rd November, 1946, "must largely follow the pattern of decentralised industry. It must chiefly consist of peasant proprietorship, with a provision that no plot shall be subdivided, whether on account of inheritance, debt or any other cause, beyond what would maintain a village family. Decentralised industry and agriculture must supplement and complement each other. The latter too should be managed, as far as possible, on co-operative basis, both for farming and marketing purposes."

Other distinguished public men also either hold, or are veering round to, the same view.

¹³ "The Indian Peasant", 1933

CHAPTER VI

ESTABLISHMENT OF PEASANT PROPRIETARY

Peasant ownership being our aim, the question that is posed is—how to bring about the reform and how to maintain it ? Four measures in the main flow out of the two principles laid down previously. The first principle that none should be allowed to derive an unearned income from land suggests two measures, viz, the raising of the existing tenants to the ownership of their holdings and the preventing of the passing of land into the hands of non-agriculturists. The second principle that land, being a national asset, should be used to the best possible advantage of the community leads to the other two, viz, reclamation of waste lands, their distribution among holders of uneconomic farms and, if excess is available, settling of landless agricultural labourers thereon, and regulation of the size of holdings including the breaking up of large estates, if any. In the exposition that follows, we have dealt with the first and third measures together under one head, aiming as they do at the promotion of existing tenants to ownership and the settlement of new proprietors on reclaimed land, respectively.

PROMOTION OF TENANTS TO OWNERSHIP

Landlords to be compensated

Shall we declare the tenants owners of their holdings outright ? Shall we expropriate the landlord, that is, take away his land without paying for it ? There is much to be said in favour of such a course, but our reply is No, we should compensate the owner equitably, as the

Congress Manifesto says When people speak on this subject, they sometimes refer to the questionable means whereby some of the land was obtained in the past But how are we to-day to distinguish the land that once belonged to some bad taluqdar of old who very likely stole it or to a Jagirdar who got it as a price for flattery or for selling away his country? In some cases we may be able to identify such land, but then a great proportion of it now belongs to thrifty persons who have put their life's savings into its acquisition

Surely we are no more entitled to take these people's property without paying for it than we are any other kind of property As pointed out by Lord Addison¹ the defenders of the existing land system, although it has led us into the present mess, could indeed ask for nothing better than that its opponents should advocate a policy of confiscation They could then sit back quietly and look on at the row If land, why not mines, factories, houses, money and everything else? Their arguments may not appear reasonable to many, but all the same we cannot have our way, as we have seen, without a revolution, probably a violent and bloody one Advocacy of such a course would mean, it is apparent, the mobilization against us of millions of rich people and of all those who believe in private property, but who otherwise want to see a contented peasantry and a prosperous country-side

Even Mahatma Gandhi, the exponent of the theory of '*trusteeship*' and who is denounced by communists as a friend of vested interests, has despaired of the land-lords' reform, now he sees no harm in confiscation of the land-lords' rights in land without compensation Apparently, he seems to have been influenced by the unbending attitude of zemindars over the tenancy legislation initiated by the Congress ministries during their short spell

¹ "A Policy For British Agriculture"

of office from 1937 to 1939. According to his theory, the trustees have misbehaved and are therefore liable to removal. They have regarded their property merely as a means for satisfying their lusts and are, therefore, according to Mahatma Gandhi, not its owners but its slaves. Here are his latest views as expressed to an American journalist in June 1942 —

"What would happen in a free India?" I asked, "What is your programme for the improvement of the lot of the peasantry?" "The peasants would take the land", he replied, "We would not have to tell them to take it. They would take it"

"Should the landlords be compensated?" I asked. "No", he said, "that would be fiscally impossible. You see", he smiled, "our gratitude to our millionaire friends does not prevent us from saying such things. The village would become a self-governing unit living its own life" ²

Another interview given two days later runs thus. "Well", I asked, "how do you actually see your impending Civil Disobedience Movement? What shape will it take?"

"In the villages", Gandhi explained, "the peasants will stop paying taxes. They will make salt despite official prohibition. Their next step will be to seize the land"

"With violence?" I asked.

"There may be violence, but then again the landlord may co-operate"

"You are an optimist," I said.

"They might co-operate by fleeing", Gandhi said.

Or, I said, "they might organize violent resistance"

"There may be fifteen days of chaos", Gandhi speculated, "but I think we could soon bring that under control"

"You feel then that it must be confiscation without compensation", I asked

"Of course", Gandhi agreed "It would be financially impossible for anybody to compensate the landlords"

It is clear, however, that for confiscation Mahatma Jī envisaged a revolution or a free India, but circumstanced as we are to-day, land can be taken only by legislation and by payment of some compensation S 299 of the Government of India Act 1935, says —

(1) No person shall be deprived of his property in British India save by authority of law

(2) Neither the Federal nor a Provincial Legislature shall have power to make any law authorizing the compulsory acquisition for public purposes of any land unless the law provides for the payment of compensation for the property acquired and either fixes the amount of the compensation, or specifies the principles on which, and the manner in which, it is to be determined

(3) No bill or amendment making provision for the transference to public ownership of any land or for the extinguishment or modification of rights therein, including rights or privilege in respect of land revenue, shall be introduced or moved in either Chamber of the Federal Legislature without the previous sanction of the Governor-General in his discretion, or in a Chamber of a Provincial Legislature without the previous sanction of the Governor in his discretion

Although the application of the section to the scheme that follows hereafter is doubtful, inasmuch as it is not proposed to transfer the land to public ownership, but to individual tenants, yet, apart from the merits of down-right confiscation and its doubtful legality, political sense must recognize that to-day if the land is to be acquired at all, it must be paid for There is no other way out

RATE OF COMPENSATION

Now, we have to think out a fair method in which agricultural land may be conveniently transferred to the cultivators. The land-lords would urge that the value of land should obviously be taken to be the amount which the land, if sold in the market by a willing seller, might be expected to realize, plus 15% increase for compulsory acquisition as is allowed by the Land Acquisition Act. We may say at the outset that to talk of 15% increase is to betray inexcusable ignorance of the nature of the problem. A transfer of land under the above Act is strictly a business deal, but in a State land scheme there are other considerations of a social and political character which lift it out of an exclusively business transaction. No question of an increase, therefore, owing to the compulsory nature of the acquisition arises.

Land being a naturally formed factor which remains for practical purposes constant in quantity, speculative and social elements enter in the formation of its market value, to rise of which no conceivable limit can be set. The rise in its value cannot be counteracted by the "creation" of more land. Land values are governed by the fact that land carries with it future benefits and its possession gives a sense of security as nothing else does and also as population increases and civilization advances there is an increase in, and development of, new wants which can only be satisfied by the production of greater quantity of old commodities and production of new commodities or possibly improved types of commodities already being cultivated.

Further, transfer of land which has continued in his family for generations offends a peasant's sense of filial piety, so to say, which enjoins that the ancestral patrimony shall in turn be transmitted by him to his son undiminished and intact. It also offends his sense of loyalty

to the land, to the *Dharti Mata* (Mother Earth) as he calls it, which has given him and his ancestors sustenance. He is prepared to give any price, therefore, to recover his ancestral land which dire necessity might have compelled him to sell, or to acquire the proprietary interest in his tenancy holding. Here we quote an incident from the professional life of an eminent advocate. It happened during the course of a hotly contested litigation relating to land—

"In my youthful wisdom I suggested a compromise to our clients. I still remember the pained and horrified look with which I was met. 'Compromise', my client told me, 'Compromise, you talk of compromise. *This is not land, these are the bones of my ancestors*, how can I think of compromise and relinquishment of my claim?' Thus I realized for the first time the unbreakable hoops of steel which bind a man to his ancestral land in India. He will cheerfully ruin himself, but not give up his claim to his ancestral land. The truth and ever-abiding force of this sentiment have struck me again and again in the course of a long professional career."³

Land has thus a non-economic value—a speculative, social, sentimental or ethical value—which greatly complicates the transactions in land, particularly when ancestral holdings, proprietary or non-proprietary, are concerned.

The market value of a particular piece of land or holding, therefore, being no safe guide, we have to consider some rough and ready method which would obviate litigation, delay and unnecessary expense. According to the findings of the Valuation Tribunals in England—as, for example, in the case of mining royalties—the compensation invariably came to an amount equivalent to the net annual value of the property multiplied by a number of years somewhere between fifteen and twenty

³ "My Life at the Bar" Dr K N Katju

"The net annual value" means the rent received by the landlord after deductions have been made for repairs and maintenance, for tithes, drainage rates and other fixed outgoings. This net income was capitalized at an interest of 5 to 6 per cent. In India also the rent paid by a tenant would provide the most satisfactory basis of value on which the purchase-price should be estimated. Hence the purchase-price of the landlord's rights in a particular holding we arrive at an amount equivalent to its rent, after land-revenue, local rate, irrecoverables and costs of management have been deducted from it, multiplied by 20, i.e., the capitalized value on the net income at the rate of 5 per cent per annum.

The revenue assessed on a mahal according to Section 63-K of the U P Land Revenue Act, 1901, is ordinarily forty per cent of the rental or assets, it may go up to forty-five per cent in certain cases. The local rate varies from five to six and a quarter per cent of the revenue. Deductions on account of the cost of management, short collections and possible loss from agricultural calamities under the U P Debt Redemption Act, 1940, and the U P Regulation of Agricultural Credit Act, 1940, are allowable severally at 10 per cent each, and in the total at 25 per cent, of the gross profits. The average net annual value of a zamindar's estate, therefore, comes to no more than 30 per cent of the rents received from the tenants. Thus, the rent multiplied by $\frac{20 \times 30}{100}$ i.e. by six would, on the average, give us the purchase-price of the interest of a rent-receiving proprietor of agricultural land in this country.

But a multiple of twenty or capitalization at five per cent is the most extreme view, no advocate of zamindars can possibly plead for a more generous compensation. They are, however, entitled at best only to an equitable compensation, that is, compensation valid in equity as distinguished from law. In view of so many

arguments for downright confiscation and in view of the fact that the zamindar's right is in the ultimate analysis a right of collection only and that price has to be so fixed that its payment would fall lightly on the shoulders of the new peasant proprietors, we consider that a sum which is the equal of rent multiplied by three, i.e., net profit multiplied by ten, would meet the justice of the case. The Bengal Land Revenue Commission, too, has recommended an amount equivalent to net profit multiplied by ten as a reasonable compensation. In Rumania where an agrarian reform as suggested here was carried out after the First Great War the State took upon itself upto 50 % of the expropriation price in order to lessen the burden of the peasants. This was considered good policy not only as a matter of giving the peasants a chance to make good, but also because it distributed among all the social classes the cost of a reform considered essential for the welfare of the country.

MODE OF PAYMENT

It is proposed that tenants should pay the compensation determined as above and get themselves declared as owners of their holdings. In the present economic conditions of the country most tenants can find the money from their own pockets, more than 80 per cent of the cultivated soil would thus pass immediately, as if overnight, into the ownership of the actual tillers without the State having to incur any obligations or resorting to any expedients whatsoever. In the case of tenants who cannot afford to pay this sum cash down, payment may be spread over a number of years or money may be made available for the purpose by the Government on a low rate of interest to be paid back by them over a period of, say, thirty years. The terms of repayment have to be easy, otherwise the purpose of the measure will be frustrated. In some countries, for example, in Denmark, only interest was to be charged for the first

"The net annual value" means the rent received by the landlord after deductions have been made for repairs and maintenance, for tithes, drainage rates and other fixed outgoings. This net income was capitalized at an interest of 5 to 6 per cent. In India also the rent paid by a tenant would provide the most satisfactory basis of value on which the purchase-price should be estimated. Hence the purchase-price of the landlord's rights in a particular holding we arrive at an amount equivalent to its rent, after land-revenue, local rate, irrecoverables and costs of management have been deducted from it, multiplied by 20, i.e., the capitalized value on the net income at the rate of 5 per cent per annum.

The revenue assessed on a mahal according to Section 63-K of the U P Land Revenue Act, 1901, is ordinarily forty per cent of the rental or assets, it may go up to forty-five per cent in certain cases. The local rate varies from five to six and a quarter per cent of the revenue. Deductions on account of the cost of management, short collections and possible loss from agricultural calamities under the U P Debt Redemption Act, 1940, and the U P Regulation of Agricultural Credit Act, 1940, are allowable severally at 10 per cent each, and in the total at 25 per cent, of the gross profits. The average net annual value of a zamindar's estate, therefore, comes to no more than 30 per cent of the rents received from the tenants. Thus, the rent multiplied by $\frac{20 \times 30}{100}$ i.e. by six would, on the average, give us the purchase-price of the interest of a rent-receiving proprietor of agricultural land in this country.

But a multiple of twenty or capitalization at five per cent is the most extreme view, no advocate of zamindars can possibly plead for a more generous compensation. They are, however, entitled at best only to an equitable compensation, that is, compensation valid in equity as distinguished from law. In view of so many

arguments for downright confiscation and in view of the fact that the zamindar's right is in the ultimate analysis a right of collection only and that price has to be so fixed that its payment would fall lightly on the shoulders of the new peasant proprietors, we consider that a sum which is the equal of rent multiplied by three, i.e., net profit multiplied by ten, would meet the justice of the case. The Bengal Land Revenue Commission, too, has recommended an amount equivalent to net profit multiplied by ten as a reasonable compensation. In Rumania where an agrarian reform as suggested here was carried out after the First Great War the State took upon itself upto 50 % of the expropriation price in order to lessen the burden of the peasants. This was considered good policy not only as a matter of giving the peasants a chance to make good, but also because it distributed among all the social classes the cost of a reform considered essential for the welfare of the country.

MODE OF PAYMENT

It is proposed that tenants should pay the compensation determined as above and get themselves declared as owners of their holdings. In the present economic conditions of the country most tenants can find the money from their own pockets, more than 80 per cent of the cultivated soil would thus pass immediately, as if overnight, into the ownership of the actual tillers without the State having to incur any obligations or resorting to any expedients whatsoever. In the case of tenants who cannot afford to pay this sum cash down, payment may be spread over a number of years or money may be made available for the purpose by the Government on a low rate of interest to be paid back by them over a period of, say, thirty years. The terms of repayment have to be easy, otherwise the purpose of the measure will be frustrated. In some countries, for example, in Denmark, only interest was to be charged for the first

five years, and that only 3 per cent, and after that an additional payment of 1 per cent was to be made to the sinking fund until the loan was paid off.

The holding may be charged with the amount meanwhile and declared inalienable voluntarily or involuntarily, though divisible if its area permits

Cash payment by the Government to the proprietors, except of small amounts, say, upto Rs 100/—, is, however, out of the question, as it would involve the raising of large loans on the market which might be costly and difficult and might also impair the borrowing ability of the Government required for other purposes. Payment to present owners should, therefore, be made by the issue of Land Bonds to the amount of the purchase-price or compensation determined, redeemable by annual payments over a stated period. There is no great risk involved in this method as the bonds will be self-liquidating, repayments being made out of the collections made along with the land revenue. As these bonds would be State Guaranteed Securities and income on them far more certain than rent from agricultural land, they should carry very low interest, say, 3 per cent. In Estonia, where also the former owners received the compensation in the form of bonds guaranteed by the State, the stock was redeemable by the State in 55 years and bore interest at 2 6%. Institutions, however, might be paid in perpetual bonds. The bonds would be saleable by their owners in the market like other securities so that if he desires a greater income he may always realize the compensation and make use of the money at greater risk for higher income. In order that the face value of the bonds might not depreciate, they might, in addition to the Provincial Government, be guaranteed by the Government of India.

Besides cash payment by tenants and payment by Government through Land Bonds, there is still a third course open, viz, that adopted in Prussia under Harden-

berg's edict of 1811 Peasants whose land was already regarded as heritable were to become full proprietors on ceding to their manorial lord a third of their land as compensation for what they sacrificed Those whose property had not hitherto been heritable, and they were the great majority in many districts, were to cede one-half If a man had so small a holding that he could not live on the remnant, i e , if the remnant would be less than what could be worked by at least one yoke of oxen, he might keep all his land and pay a rent It is proposed, therefore, that if the Government does not provide the money or the tenant does not wish to borrow from it, he may, after surrendering one-fourth of the land, be declared proprietor of the remaining area provided such area is not less than six acres and a quarter Government estates should be settled permanently on their occupants in economic lots Given the will, a number of ways can be devised whereby proprietary rights can be transferred to the actual tillers of the soil and the tenants who, for example, cultivate 81 per cent of the land in the U P and constitute 88 per cent of the entire peasantry, raised to their rightful position—from serfdom to mastery—without any violent destruction of those who have held them in subjection for so long

LANDLORDS' OBJECTIONS ANSWERED

Perhaps, the landlords would feel like raising a howl over the rate or extent of compensation They will detect fallacies in our argument, they will say that the proposal amounts to expropriation, pure and simple, and that, if such a reform is essential in national interest, we are discriminating against them inasmuch as the big industrialists, manufacturers, traders and other rich owners of non-agricultural property are left untouched

These landlords should note that landed property has, as pointed out in the beginning of this brochure, certain peculiarities which differentiate it from, and

preclude its absolute enjoyment by the possessor like that of, other kinds of property, that land being a national asset the only justification why it should be allowed to be held by one individual and not by another is that the former plies the plough and by raising crops contributes to the well-being of the whole community, while the other does not, that while agriculture is essentially a public function or service, mere receipt of rent from those who perform it is neither an industry nor a business, that by abolishing the landlord we are not destroying any organization of production but only a person who is not a farmer, but a courtier, seeking career in civil and military functions, upon which he has had up till now, in a way, almost a monopolistic claim, that the rent-receivers do not add anything to the national dividend whilst the others do so add, by way of producing goods and distributing them. In this connection we would do well to quote Marx who contrasts the landlord who enjoys surplus value from land, or rent, with the capitalist who enjoys surplus value in industry, or profit —

"The capitalist performs at least an active function himself in the development of surplus value and surplus products. But the landlord has but to capture his growing share in the surplus produce and the surplus value created without his assistance" ⁴

And, finally, that while we advocate nationalization of key or heavy industries, i.e., industries which are the foundation of a nation's economic and military strength and which form the base on which other, light industries may gradually be built up, for example, electricity, mining and metallurgy, machine-making, chemicals including fertilizers, armaments, railway engines and wagons, ship-building, automobile, cement, etc., of public utilities like Post Office and Irrigation (which already vest

¹ "*Capital*", Vol. III, p. 748 (Kerr Edition)

in the community), railway, water and air transport, and of banking and credit, and Government monopoly of foreign trade, and toleration of private enterprise only in internal trade and in small-scale industry which will be allowed to employ a limited amount of labour, the problem of the land is comparatively far more urgent and pressing as it involves the economic welfare of by far the vast majority of our countrymen so directly

The taluqdars and big zemindars—for it is they only who will be affected most by the reform—should further remember that it was for reasons of State that they were created, that it was for the same reason that they were revived or continued or further property added to their estates in 1858, and that it is again for reasons of political stability which is threatened by the continuance of an out-of-date and unnatural rural structure that retards national progress that he should disappear. It is not necessary, therefore, to justify the measure or the rate of compensation proposed on the ground of economics or logic that will appeal even to those whose selfish interests it threatens, in matters agricultural, political considerations have always played a great part. As a German writer, Von P. Aeroboe, says

“The welfare of the State, therefore, is to a large extent dependent upon the prosperity of agriculture. It is, therefore, easily understood that the furtherance of the prosperity of agriculture will form one of the most important of economic problems and that agropolitical measures will always concern questions vital to the State. Agriculture, therefore, has been and still is primarily the object of economic and political considerations”

Still further, the non-cultivating zemindars should not forget that they never had any right of property in the soil and that, for practically no consideration whatever, they have been eating the earnings of others for these two hundred years, more or less. Those who had

called them into existence could abolish them for the mere wish, they could delegate the right of collecting revenue to whomsoever they pleased. History proves that no question of compensation was ever raised. "When a Zamindar was divested of his authority, it was a rule of the Moghul Government to allot him a subsistence out of the rents of his zemindary in proportion to the annual income of it. This proposition usually amounted to a tenth", say Warren Hastings and his Council in a letter to the Court of Directors, dated 31d November, 1772, pleading the cause of the zemindars of 24-Parganas whose rights had been taken over by the Company. Be it noted that it was a "subsistence" allowance and not a compensation, and they speak of the "authority" of the Zemindar, and not his property. This allowance for twenty years, which is the usual duration of an annuity, would amount to twice the rental, whereas we are proposing three times the rental cash down or in Government Bonds. It will not be out of place to state here that in the beginning the Company too, by Regulation I of 1795, had authorized the zemindars to retain only 10 per cent of the rents collected by them. Regulation VII of 1822, however, increased their share to 17 per cent and Regulation XIX of 1833 to 34 per cent. The Sharanpure Rules of 1855 put the share of the zemindars at 50 per cent and finally the Act of 1892 increased it to 60 per cent, i.e., the figure at which it stands to-day in the U.P. It was thus that the right of collection improved into proprietorship — about which there is now so much bother.

As for the money-lenders who have purchased large properties in auction or otherwise, they should understand that they committed the mistake of speculating in land which is the basis of national life, that they took to land-purchasing from the business point of view and in business one sometimes loses one's whole capital, and that as a class they have more than realized with interest

the original sum which they lent. Also, that it is for their sake only that compensation is being proposed, otherwise the other landlords, who own the greater proportion of land, perhaps, did not deserve a shell. We simply wish to avoid long and disputed inquiries into the origins of landlords' title and into their behaviour since, unlike what they did in Latvia, where by a special law it was decided that no compensation for land should be paid if it could be shown that the former landowner had behaved in a manner hostile to the people. As an example of the methods how land has been stolen from the cultivators, and how their need has been inhumanly seized upon as an opportunity by the wealthy to grab their land, we quote the following from an article of Mr K Sanatanam, M L A published in the "Hindustan Times" of November 4, 1943—

"Owing to the depopulation caused by flood and malaria, one-fourth of the land of this sub-division has been left uncultivated this year and the peasants are selling their fields for a song. The Sub-Registrar's Office at Contai is the most hard-worked office at Contai. It works early and late while the office of Special Relief Officer can observe the usual hours. On an average 150 sales are executed daily, each sale-deed conveying one or two bighas of land. The consideration put in the deeds ranges from Rs 100/- to Rs 150/- per bigha, but I was told by many that only a fraction of the sale-amounts actually passed to the seller. The buyers were safeguarding themselves against any legislative action which might result in their being forced to sell back those lands bought at a time of distress. It is difficult to understand how the Government of Bengal could permit these sales by poor cultivators to middlemen who are exploiting this opportunity."

After this we leave it to the reader to judge for himself whether the non-cultivating zemindar is a fit object to waste his sympathies over

Arguments and objections, however, can be raised ad nauseum. One thing at least is certain, changes will come, and it is better that we ourselves should make appropriate changes willingly because they are right, than do so under compulsion because we can do no other. The zemindars must know finally that they are an anachronism and, therefore, have to go. Time and tide wait for none. India expects them to behave, in consonance with the hoary traditions of its great past, as the Samurais of Japan did seventy years ago when they voluntarily liquidated their Order in the larger interests of the country that gave them birth. Those of their class who would like to put a break on the wheels of the country's progress should read the lesson that the Russian Revolution of 1917 indelibly wrote on the Wall of Time in such bold letters, if they do not take heed betimes they are likely to go the way the Russian landlords did. "To the threat of revolution, there is, historically, only one answer," writes Professor J. Laski, "viz, the reforms that give hope and exhilaration to those to whom, otherwise, the revolutionaries make an irresistible appeal"⁵. Violent conflict is certain unless the zemindars realize the imminence of the catastrophe in time. They can profit, if they will, by Russia's experience and avoid the destruction of many precious things. They should remember further that the real nature of the communist movement in China too was a peasant revolt due to their dissatisfaction with the land system.

The proposed reform, however, suggests a non-violent method of revolutionizing the rural social organization and gives us an opportunity of doing the right thing by the masses which is long over-due. During the first Great War, King Ferdinand of Rumania promised the peasant soldiers that the big estates would be

⁵ The Revolution of Our Time, p. 24

cut up and that they would each be paid for their loyalty with a plot of land. At the end of the War, when the Russians were destroying their entire social system to take the land from the aristocracy through revolution, King Ferdinand kept his promise and a million and a half new land-owners came into their own. It was because of this that the Russian experiment never crossed the border to disturb Rumania. Those who dread communism, therefore, should welcome the proposals herein made.

Waste Land—its Acquisition, Reclamation and Settlement.

We now come to the question of proper utilization of the land resources of the country leading to new settlements on land. That we need to make the best possible use of our land admits of no doubt or argument. As the following tables prove, the increase in the cultivated area has been out-distanced by the increase in population. Here are the areas in acres sown to food and non-food crops per individual as they have varied with the growth of population in British India over a period of about 40 years—

	1903-04 to 1907-08	1933-34 to 1937-38	1940-41
Area sown per head	0 883	0 862	0 838
Area under food crops per head	0 829	0 700	0 671
Area under food crops per head omitting sugar	0 818	0 687	0 656
Area under non-food crops per head	0 053	0 163	0 167
Population in millions at end of the period	237 6	284	295 8
Total area sown in million acres	209 8	244 9	248 0

As some of the land carries two crops in a year, the

net area sown is less than what the totals given above indicate, e g, in 1940-41 the area sown more than once amounts to 34 million acres leaving a net total of 214 million acres actually utilized

According to the Woodhead Famine Inquiry Commission's Report (1945), during the thirty years ending 1941, 7 million acres were added to the area under cultivation, but this extension did not keep pace with increase in population. In 1911 the area sown per capita in British India was 0.9 acre and by 1941 it had declined to 0.72 acre, i.e., by 20 per cent. Further, the decline has been increasingly rapid, being 0.02 acre per capita between 1911 to 1921, 0.06 acre per capita during the next ten years ending 1931 and 0.1 acre per capita during the decade ending 1941.

The inadequacy of the present consumption of food can be illustrated by quoting an estimate made by the Imperial Council of Agricultural Research of the percentage increase in the production of various foods required to provide "a suitably balanced diet" in minimum quantity for the 4000 million people of India —

- Cereals by 10 per cent
- Pulses by 20 per cent
- Fats and oils by 250 per cent
- Fruits by 50 per cent
- Vegetables by 100 per cent
- Milk by 300 per cent
- Fish and eggs by 300 per cent

Lest we forget, during the inter-censal period of 1931 to 1941 the population of India increased in the average by about 5 millions a year. An annual increase of 5 million (the average must be 5.5 millions during the current decade) in the number of persons to be fed, involves an yearly addition to India's food bill of over 800,000 tons of cereals on the basis of 1 lb of grain per day per head. Obviously, there is every need for haste;

the nutritional basis of Indian life is desperately low and every year that passes without radical improvement invites catastrophe. At least 30 per cent of the Indians, i.e., 120 millions of people, who were under-fed five years ago are to-day living dangerously near the starvation point.

As far as the U P alone is concerned, its population in the last forty years has increased from 473 lakhs in 1901 to 551 lakhs in 1941, i.e., by 16.5 per cent, whereas the cultivated (including the double-cropped) area has registered only a nominal increase, viz., from 38514 thousand acres in 1901-1902 to 39050 thousand acres in 1940-41, a bare 1.45 per cent. The population of U P (excluding the three Indian States) would according to Mr J. K. Pande M.A., Statistician and Deputy Secretary to the U P Government, swell in 1946-47 to 58.7 millions, of which 9.8 millions would be living in urban areas. The production of cereals in the same year is not expected to go beyond 9,566 thousand tons. Putting the urban consumption at 8 chhataks per capita per day, the urban population would consume 1,638 thousand tons, and putting the above figure only at 10 chhataks for the rural population, the rural consumption would come to 10,241 thousand tons. Allowing 10 per cent of production for seed, the deficit comes to 3318 thousand tons. If allowance for statistical over-estimation of production is made, as the figures, if they err, do so on the side of exaggeration, the deficit would amount still higher. Similar is the conclusion arrived at by the U P Agricultural Reorganization Committee (1939-41). Who can face this situation with equanimity? At least not those who wear the mantle of public or governmental responsibility.

In the realm of land utilization this problem of food shortage can be tackled only in three ways, viz., by reclaiming land hitherto lying idle and making it fit for agriculture, by preventing land from going out of

cultivation mainly through erosion and by improving that already under the plough and making it yield an increased out-turn. Science has endowed man with means through which unfavourable climatic and poor soil conditions can be counteracted to a large extent and regions otherwise unsuitable rendered fit to carry a fairly dense population. And there is no reason why we should not harness science in our aim to lift this country out of want and poverty.

The published acreage statistics show that the total area of India is 1000 million acres, of which British India occupies only 512 million acres distributed in the provinces under various heads according to the following table from the India Year-book 1943-44 (p.303):—

CLASSIFICATION OF AREA IN EACH PROVINCE IN 1940-41

Provinces	Forests	Not available for cultivation	Other uncultivated land excluding current fallows	Current fallows	Net area actually sown
Ajmer-Merwar	46,981	641,697	255,274	213,973	403,405
Assam	4,304,743	4,577,400	17,680,064	2,133,770	6,788,823
Bengal	4,584,652	9,691,083	6,033,983	5,349,078	24,714,500
Bihar	6,606,998	6,520,634	6,429,273	6,846,100	17,924,200
Bombay	8,305,345	5,717,242	931,918	5,051,976	28,713,369
C P & Berar	15,838,793	4,880,756	14,079,275	3,729,769	24,545,668
Coorg	331,737	359,474	11,690	157,702	151,661
Delhi	nul.	85,591	62,684	15,517	204,678
Madras	3,221,935	14,095,852	11,316,224	9,299,255	31,979,126
N W F	352,932	2,675,894	2,810,948	380,413	2,356,662
Orissa	2,605,676	6,580,632	3,265,967	1,589,185	6,100,461
Punjab	1,974,939	12,995,609	13,986,465	3,064,057	28,170,480
Sind	725,455	8,030,494	11,148,084	4,911,911	5,370,008
U P	9,279,586	9,865,986	9,847,878	2,510,326	36,539,626
Total	68,279,822	86,718,344	97,859,727	45,253,032	213,962,667
Percentage	13.5	16.9	19.1	8.9	41.8

Out of 214 million acres, the net area under food crops was only 170 million acres

It may be explained that "not available for cultivation" means land which is absolutely barren or uncultivable or covered by buildings, water, road, or otherwise appropriated to uses other than cultivation. "Other uncultivated land excluding current fallows", or, in other words cultivable waste, means land available for cultivation, but not actually under the plough, it includes groves, grazing and grasslands. Of the area in the U P under this head, about one-third is covered by the latter description and 6 lakhs acres is old fallow. "Current fallows" means in some areas land left uncultivated for two or three years and in other areas for not more than 10 years. This description covers land of such low fertility that it cannot be cultivated every year and must be allowed to lie unused after yielding crop for two or three years or larger period.

The above figures prove that the land of India is sick, so to say, far-reaching remedies are required to cure it. The chief reasons why cultivable waste land is not cultivated are as follows —

- (i) Lack of water,
- (ii) Lack of drainage,
- (iii) Unhealthy conditions, chiefly due to malaria,
- (iv) Deep-rooted grasses and weeds,
- (v) Low fertility of the soil,
- (vi) Salinity and alkalinity, and
- (vii) Liability to damage by wild animals

The following is an excerpt from the Report of the Food Grains Policy Committee—

"A glance at the agricultural statistics of India shows the existence of very large areas of land described as cultivable waste other than fallow. From this it would, however, be a mistake to jump to the conclusion that with such large areas lying uncultivated, it should

not be difficult to produce the food required simply by extending cultivation to them. There are practical difficulties in bringing quickly such culturable but uncultivated areas into cultivation, otherwise the pressure of population and the land hunger of people would have brought them under plough long ago. Some of them are located in unhealthy tracts, others lack irrigation facilities, some again are situated in tracts where labour is not easily available and others again are such as would not yield economic return under normal conditions. The work involved in bringing the major portion of these lands under the plough is of a long-range nature, and is more suitable for consideration and action on the basis of a post-war reconstruction plan. There are, however, areas not inconsiderable, which lend themselves to immediate production and they should be harnessed to the food production drive."

The Royal Commission on Agriculture (1928) also says that a large proportion of culturable land other than fallow could in no conceivable circumstances be brought under tillage, but according to the Famine Inquiry Commission (1945) "it must be added that land which is at present too poor to give economic returns to ignorant rayats without capital or scientific resources, may be capable of development by irrigation schemes and application of scientific methods of land reclamation and soil improvement." Even if half only of this area is found to be really cultivable, the problem of food supply would be largely solved, the existing pressure on the soil of the country relieved in an appreciable degree and the amount of land per capita of farming population materially increased. A large number of casual farm labourers will be converted into permanent cultivators, thus reducing unemployment, and hygienic conditions of large tracts of land will be improved, thus adding to the general well-being of the community. In some countries land reclamation activity has further

resulted in creation of new industries subsidiary to agriculture

In the U P these wastes lie mainly along the sub-montane region of the Province and in the Sone-par portion of the Mirzapur District. The chief obstacle in the way of reclaiming them has been the bad climate of such areas leading to their depopulation and consequent non-utilization. Due to forest under-growth and water-logging, these places are malarious and attempts made hitherto by individuals or groups of individuals to populate them in small units have failed. Provision of employment and adjustment of population, however, being matters of large national policy, it is for the State to take more active interest in the problem, just as they have done in the West. Fairly large tracts of land should be cleared at a time and opened up, if necessary, with tractor ploughs, and when their hygienic conditions have been tolerably improved, they should be parcelled into economic holdings and so settled as to relieve congestion in other parts of the province. There are other considerable areas elsewhere in India which are thinly populated because of the presence of malaria, e g, parts of the Vizagapatam and Malabar districts in Madras, the Dinapur district in Bengal and the Kanara district in Bombay.

In Europe it is reclamation by drainage and drying, etc, of lakes and pools, of marshes and marshy lands, of lands, generally speaking, without proper run-off, which has afforded the most important means of winning new lands for cultivation. Training or regulation of water-courses and of their banks with a view to protect land against spates and floods also falls under this head. Drainage as a means of reclaiming land covered by water provides numerous examples from Java, Germany, Italy and Netherlands. The most classical of them is that furnished by the country named last, where, by a labour of centuries, land has been won from the sea.

"The region of Haarlem, which is to-day the great flower-garden of Holland, consisted originally of submerged sand and peat". Swamps of Italy have been changed into flourishing fields yielding sustenance to thousands of families. Perhaps, the latest example is provided by Greece where, in the absence of cultivable lands, the problem of setting 150,000 refugee families who poured into the country after the First Great War and the following war with Turkey, was solved by far-reaching schemes of reclamation of marsh lands. Bulgaria also had to carry out drainage of marshes and swampy lands in order to settle her refugees

"It is interesting" say the authors of "The Indian Rural Problem",⁶ "to review this work done in the small countries of Europe Denmark which had at one time more than one-fifth of the total territory lying waste as heaths reclaimed more than half of this area during the second half of the nineteenth century; by 1938, nearly 70 per cent of the waste lands were won over for cultivation and it was hoped to bring all the area under cultivation by an annual drainage of some 500 acres In Belgium, over 56,000 hectares were reclaimed since 1926. Greece recovered an equally extensive area of humid soils to accommodate her refugees In Finland, about 1,39,000 hectares of marshlands were drained to facilitate land settlements since 1919 and in Czechoslovakia, 325,000 hectares were reclaimed mainly by land drainage work. Lithuania brought into use 75,000 hectares of heath land which were thereafter transformed into 3,753 holdings of 20 hectares each Earnest attention was paid to reclamation in Italy only after 1928, but within 10 years the total area in which reclamation was carried out amounted to 5.7 million hectares of which 4.8 million were public works and the rest conducted by private individuals and subsidized by the State Even France,

⁶ Nanavati and Anjaria, p. 338

where the problem of over-population has never presented itself, added 110,000 hectares to her cultivated land in this way

"Thus, conversion of marshes, swamp and heaths into cultivable areas has provided means of living to thousands of families in Europe. The Pontine Marshes of Italy are a good illustration. In this area of 77,000 hectares the population at one time numbered hardly some hundred persons and that too only in the summer months—sheltered in miserable huts and exposed to all the risks of malaria. Now, in this very area there are 5 towns and 17 rural centres, the land is covered with 3000 farm-workers' dwellings and 2600 farms and the population has risen to 60,000 workers and settlers."

Our problem of reclaiming water-logged areas here in India is greatly complicated by the fact that the natural drainage of the country-side has been disturbed by the faulty alignment of canals, railways, roads and embankments which were all constructed independently of each other, with the result that productivity of land in many places has been greatly affected. Proper drainage of such areas will greatly increase their fertility. In Germany it has been found that drainage of land not only adds to the area under cultivation, but also leads to higher yields as is apparent from the following table:—

Additional Yields by Drainage per Hectare (11960 sq yds) in Quintals

Rye, 5, Wheat, 6, Oats, 7, Potatoes, 60, Sugar beet and Mangels, 100

Development of usar land included in the area classified as 'not available for cultivation' is still another source of increasing the arable area. Usar has been defined as land 'rendered sterile due to the snowy effore-

⁷ (Vide League of Nation's "*Land Reclamation and Improvement in Europe*", p 26)

⁸ "The Indian Rural Problem", p 25

scence of soda salts brought up from the sub-soil by the combined action of water and hot sun' The extent of usar land in the country can be gauged by the fact that in the U P it is about two million acres, i e , more than 5 per cent of the area at present under crops The term "*Usar*" covers a variety of waste lands all of which are not equally amenable to easy treatment or to a uniform mode of treatment In the present state of our knowledge and means, plantation of certain types of trees and growth of grass in enclosed areas are the only two modes of developing such land Land which cannot be rendered fit for cultivation or reclamation whereof involves costs entirely disproportionate to the returns obtained, may be utilized for pasturage The U P Government had appointed an Usar Land Reclamation Committee which examined the whole question and submitted its report in 1939

On erosion we cannot do better than again quote Nanavati and Anjaria —

'At the same time lands have been gradually rendered unfit for profitable cultivation by the formation of injurious salts and by the action of running rain or flood water in their eroding the surface soil or burying it beneath deposits of sterile material This is particularly noticeable in the United Provinces and Western Bengal where excessive areas on the banks of the large rivers have already lost all value owing to formation of a network of ravines In the United Provinces alone, 8 millions⁹ of the total land area of 68 million acres have been so lost, in addition to 5 million acres as a result of water-logging, shallow tillage and defective soil aeration Rise of the subsoil water table and formation of salt efflorescence on the surface of soil have done considerable damage to cultivation in the canal-

⁹ According to Mr M D Chaturvedi, khola and ravines in the Gangetic Basin constitute only half a million acres

irrigated areas of the Bombay Deccan, Sindh and the Punjab, while water-logging is a great menace to agriculture in the Central Provinces, Assam, Bihar and Bengal. Yet little has been done to combat these forces which reduce the fertility of the soil and convert large areas into semi-deserts'

How to prevent erosion resolves itself into the problem of reducing the velocity and the amount of water running off the surface. For this, there are several methods: (1) afforestation of the top slopes, (2) putting the upper slopes under grass, (3) ploughing along the contour line instead of across them, and (4) bunding or terracing them.

Improvement of lands already under cultivation, their maintenance in improved conditions, and their proper exploitation and utilization through irrigation, application of fertilizers, and otherwise is, however, an entirely different problem extraneous to our subject, and which calls for planning on a national scale if the resources of our country, which is otherwise so favoured by Nature, are to be properly tapped and the ever-increasing millions are to be properly fed and clothed.

In European countries, where intensity of cultivation has very nearly reached the limits set by present-day technique and profitableness, land reclamation and development are the only means left for providing employment to the surplus rural population. European Governments have, therefore, either directly undertaken the works of land reclamation and improvement or have encouraged them by means of direct subsidies or by amortizable loans at reduced rates of interest. Even where the operations are in the hands of private agencies, they are carried out under the direction of experts paid by the State.

In France land improvement work has been actively pushed ahead since 1929, economic crisis notwithstanding. In Germany, the activities of unions which had

taken up the work of land improvement on their own, were brought under the unified direction of the Reich in 1937. In Italy, under the Law of 1928, the State undertakes operations recognized in the nature of public works. Private individuals are legally obliged to carry out the remainder. The first are carried out at the expense of the State, with contributions from the land-owners, the second, at the expense of the owners with State assistance. In Great Britain areas in need of reclamation are marked off under the Land Drainage Act of 1930, and placed each under a Corporate body called Catchment Board. These Boards undertake and maintain all operations essential to ensure the satisfactory condition and working of all the principal water-courses without which there can be no effective land drainage. And under the Agricultural Act of 1937, assistance is given to the farmers to increase the fertility of their land by the application of basic slag and by means of drainage. As an illustration of the way in which a land utilization survey can become the basis of an all-round development of a particular region may be mentioned the Tennessee Valley Project in the U.S.A. which overshadows all development schemes instituted elsewhere. It is an example for the world to follow.

Here it is proposed that private owners of arable waste, *usar* and water-logged areas may be given the option of reclaiming and developing such land within a definite period according to plans drawn up in advance by technical experts and approved by the State. If necessary, land development loans may be advanced to such proprietors or organizations of such proprietors, amortizable in easy instalments over a number of years as part of land revenue. Failing this, there cannot be two opinions but that such land should at once be acquired by the Government on the basis of actual income derived from it, or, say, at flat rate of fifteen times the land revenue payable thereon, and, after it has been

reclaimed or so treated or such work has been executed thereon by the Government as will enable it to be satisfactorily and economically used for agricultural purposes, it should be distributed, if the area is small, among those cultivators of neighbouring villages who own uneconomic holdings and, next, among the landless agricultural workers. If the areas reclaimed and developed are big enough, then large sections of population may be moved to such areas from over-populated parts of the country and the land settled in economic lots. Also cultivated land allowed by its owner to lie fallow for more than one year might be similarly dealt with. The Government of Bombay Presidency is reported to have decided in 1943 to requisition fallow land if the owners do not cultivate such lands themselves or get them cultivated by tenants. That is as it should be. The price of acquisition should not in any way prove to be a hindrance, as, land being a national asset, the State has a theoretical right to resume it even without any payment if the present owners cannot use it properly.

The State could realize the cost of acquisition plus the cost of reclamation or development from the new settlers by way of a terminable annuity or in half-yearly instalments of principal with low interest. If the costs are so great as will cripple the new settlers, only a part thereof should be realized. Also loans may be advanced by the Government to new settlers as in England and elsewhere to assist equipment, to provide for manurial requirements and drinking water, to construct roads, and to improve living conditions in general.

Reclamation of cultivable waste, *usar* and water-logged areas will undoubtedly go not an inconsiderable way towards relieving the daily increasing pressure on the soil. It is good augury for the future that the attention of the Imperial Council of Agricultural Research and of some provincial and State Governments, parti-

cularly of those of the U P , Sind and Mysore, has been drawn towards the problem of reclamation and improvement of land. But it is only an augury—everything is still in the air, for the transformation of ideas, however sound and socially beneficial, into governmental action, a precipitating agent is needed, and it is this that is lacking.

MAINTENANCE OF PEASANT PROPRIETARY

If, after the establishment of a peasant proprietary, steps are not taken to help the agriculturists to remain in possession and to prevent the land from passing into the hands of absentee and non-agriculturist landlords who cannot or will not cultivate the land themselves, but let it out on excessive cash or produce rents, the whole scheme will be worthless and it would be necessary to carry out the acquisition of rent-receivers' interests at intervals of 30 or 40 years. In Burma the evil had become so serious that in 1937, 47·6 per cent of the total area was held by non-agriculturists and the Government had to enact a Land Purchase Act in 1941 to take the land back from the money-lenders. The depredations of money-lenders in the U P—for their activities are nothing less—are well illustrated by the following three extracts taken from the rent-rate reports published in the Government Gazette, dated July 15, 1939 —

PROPRIETORS AND CULTIVATORS OF TAHSIL SARDHANA, DISTRICT
MEERUT ANALYSED CASTE-WISE

Castes	Acreage owned at present settlement	Percentage of total area owned at		Percent- age of cultiva- tors
		Last settlement	Present settlement	
Jats	65699	31·6	30·0	34·9
Vaishes	42908	10·4	19·6	4·1
Rajputs	34004	19·6	15·6	16·8
Muslims (Rajput, Saiyad, Sheikh, Pathan & Jat)	24714	15·8	11·3	9·8
Tagas	12730	7·0	5·8	5·8
Brahmins	8282	4·2	3·8	5·7
Gujars	6378	3·0	2·9	6·6
Others	11296	6·9	5·1	13·3
Shamlat	6296		2·9	
Dedicated	2960		1·4	
Govt Property	3457		1·6	
TOTAL	218724	100	100	100

The report gives the areas, etc., of the various Muslim castes only, but for sake of space we have lumped them together

The Settlement Officer says on page 280 —

The Hindu Jats still continue to be the largest land-community here as in Baghpat The second place which was held by Hindu Rajputs at last settlement has now been taken by Vaishes whose share has increased from 10.4 to 19.6 per cent The communities that have lost most are Hindu Rajputs, Jats, Tagas and Muslims as a whole (sic) Practically all the area lost by these communities has been acquired by Vaishes, the majority of whom do not cultivate the land"

Even the figure '4.1' in the last column showing the percentage of Vaish cultivators is fictitious, in actual fact, we think, they hardly exceed .25 per cent

PROPRIETORS AND CULTIVATORS OF TAHSIL BAREILLY,
ANALYSED CASTE-WISE

Castes	Acreage owned at Present settlement	Percent- age of gain(+)or loss (—) compared to last settlement	Percent- age of total area owned at present	Percent- age of area culti- vated
Muslims	61856	—27	23	13.3
Vaishes	40967	+62	15	.
Brahmins	34031	—14	13	5.8
Kayasthas	30873	—31	11	1.9
Kurmis	22192	≡4	8	22.1
Thakurs	19835	—15	7	4.5
Khatris	12761	+36	5	.
Ahir & Ahar	6021	—1	3	6.1
Others	20157	+69	7	46
Dedicated	17275	.	6	.
Govt property	5108	.	2	..
TOTAL	271076		100	100

The Settlement Officer comments on page 2937 —

"Musalmans in spite of losing 27 p c since the last settlement still occupy the largest area in the Tahsil Kayasthas who occupied the second position at last settlement have been relegated to the fourth place losing 31 per cent Similarly Brahmins have lost 14 per cent although they still occupy the third place Thakurs have drifted from the fifth to sixth position Their losses amount to 15 per cent Vaishes who occupied the fourth place at last settlement have added to their proprietary rights considerably, adding 62% to the share held by them at last settlement Khattris and other miscellaneous castes have also gained Extravagance is the chief cause of the losses given above Money realized by sale of land is seldom, if ever, utilized for a more profitable business The gainers are the money-lending classes—Vaishes, Khattris and others They have increased their property not by payment of hard cash, but by charging exorbitant interest which in most cases makes the property mortgaged unredeemable"

PROPRIETORS AND CULTIVATORS OF PARGÁNA HASANGARH,
TAHSIL IGLAS, DISTRICT ALIGARH, ANALYSED CASTE-WISE

Castes	Acreage at present settlement	Percentage		Percentage of area cultivated
		Last settlement	Present settlement	
Jat	29148	67	53	69
Brahmin	10476	20 9	18 9	17
Vaish	8096	4 3	14 6	3
Kayasth	1439	1 5	2 6	
Rajput Hindu	443	0 5	0 8	
Muslim	163	1 4	0 4	
Others	2865	3 2	5 2	11
Revenue-free and resumed maufi	888	1	1 5	
Govt property	400	0 2	0 7	
Dedicated	1310		2 4	
TOTAL	52228	100	100	100

The Settlement Officer remarks on pages 2993-94 —

“Jats are still the principal proprietors, owning 53 per cent of the area. Next come the Brahmins. Both the castes, however, have lost considerably while the Vaishes (the money-lending class) now own 14·6 per cent of the proprietary lands against 4·3 at last settlement.”

Money-lending is carried on by a good number of agriculturists and land-owners as well in addition to their hereditary occupation, and they are nearly as ruthless as the professional money-lenders. They have, however, one thing in their favour, namely, that when they purchase land they usually take it into their own cultivation. Otherwise, there is little difference between one money-lender and another, his caste notwithstanding.

The reader should note that the figures representing the state of things at “present settlement” refer to the year 1930-31. Owing to legislative measures and other steps, court sales in execution of civil court decrees did not take place for eight years or so since 1932, except for some months in 1937. Had the law been allowed to run its usual course it is more than certain that, as a result of the great Economic Depression, the money-lenders would have greatly multiplied their area by now, as they did in Burma where in the thirteen principal rice-growing districts, the Indian Chettyar’s share alone of the occupied area rose from 6 per cent in 1930 to 25 per cent in 1937, not counting the land of which they were mortgagees, but not in possession.

The census report for India and Burma for 1931 has the following on p. 287—

“The Census Superintendent in Burma reports that alienation of land to non-agriculturists has increased and that in the principal districts of Lower Burma the area held by Chattiars increased by 140 per cent between July 1st, 1930 and June 30th, 1932.”

Thus to-day, when jagirs are no more granted, money-lending is practically the only method whereby the more unscrupulous and shrewder individuals become landlords by crowding the less intelligent and the unwary ones off the land. Money-lenders have throughout the country reduced their clients to a position of economic servitude and sat as a blight on the countryside. There is no town, in the U P at least, but the non-agriculturists residing therein have drawn their tentacles over the cultivators for a radius of miles about the town and gathered most of the land into their own hands. In the absence of adequate facilities for investment, money-lenders have sought recourse to unfair means in tempting 'the people who live within their ken'. It is in very rare cases that peasants would sell their lands, only very urgent, economic strain compels them to treat the land as an economic commodity. Therefore, "most of them prefer to mortgage in the hope of recovering it. But once the peasants have stepped into the sepulchre of usury, they are led to descend down the inescapable staircase with only a remote chance of coming out again. At least 70 or 80 per cent of the landless peasants in Kwantung have lost some of their land possessions through mortgage"¹. It was the spectacle of the money-lender living on the hard-earned income of the cultivators—pre-eminently a class of people which literally follows the biblical injunction, viz, "By the sweat of the brow shalt thou live", that led Sir Daniel Hamilton to exclaim with bitterness, "What India requires is an Act written not with a goose quill dipped in milk and water, but with an iron pen dipped in the blood of the Mahajan"

Therefore, as a corollary of the principle that in an ideal land system nobody should enjoy unearned income from land, ways have to be devised to secure that

¹ Chen Hen Sing's "Agrarian Problem in Southern-most China" p 96, quoted in Dr. Fei's "Peasant Life in China", p 193

land shall not pass again into the hands of non-cultivating owners, that peasant proprietary shall be maintained once it has been created

One or more of the following five ways to help the agriculturist retain his land have usually been adopted in the countries where statesmen have bestowed any thought at all on the problem

Firstly—by forbidding the alienation for debt of peasant's land upto a certain area, of his dwelling-house, his cattle necessary for working the farm, etc, i.e., by creating entailments of a sort For example, in Egypt a law of 1912 fixed the limit at five feddans, one feddan being equal to 1 038 acres In pre-1914 Serbia, a peasant's last six yutaras (one yutara being area which two oxen can plough in a day) could not be seized in judicial proceedings In Czechoslovakia family properties constituted under the Land Distribution Law may not be alienated or charged with mortgage or other rights in rem without the authorization of the State Land Office In Germany, according to the Hereditary Farm Law of September, 1933, referred to before, estates upto 125 hectares cannot be sold, mortgaged or attached for debts In France the Law of July 12, 1909, prohibited the attachment of properties which have been declared "family properties" by a declaration made by the owner to judicial authorities This legislation, however, failed in its purpose, inasmuch as the number of family properties (urban and rural) constituted up to 1938 came to less than 300, owing mainly to the low maximum value fixed for the properties concerned To remedy this defect, the maximum value which a property may have in order to become a non-attachable family property under the Law of July 12, 1909, was raised by a decree of June 14, 1938, to 120,000 francs In the USA and other countries also, there is similar legislation In the United Provinces in India, according to an Act of 1940, land paying revenue upto Rs 250/-

cannot be sold, although it can be usufructuarily mortgaged for 20 years

Secondly—by providing, as in the U P and elsewhere, that a proprietor who has been actually cultivating his lands for some time shall have rights of occupancy on transfer or sale to a third person Under these enactments, mere title to land and right to receive rent pass to the purchaser, but actual possession remains with the ex-proprietor who becomes a tenant

Thirdly—as in Denmark under a law of 1919 and in Rumania under a law of 1925, by the State reserving to itself a right of preemption on holdings The land thus obtained is to be given to peasants who have not yet been re-settled Under Article 4 of their manifesto the Nazi Party also proposed to give the state a right of preemption on every sale of land

Fourthly—by providing that land shall be transferred only to those who are themselves *bona fide* agriculturists It has been so done in the Punjab (1900), in the Bundelkhand in the U. P. (1903) and recently in the Bhavanagar State in India, and also in Rumania (1925) where, if the State did not exercise its right of preemption within sixty days, the proprietor was free to dispose of his lots only either to a citizen who cultivated the soil himself or to a graduate of an agricultural school residing and carrying on agriculture in the commune in which the holding was situated

The Emancipation Law of 1861 in Russia had allowed nadialı to be alienated under certain conditions. This resulted in transfer of land into non-peasant ownership In 1893 a law was passed forbidding peasants to part with their nadialı except to members of their own commune.

In the Punjab and in the Bundelkhand, a schedule of *bona fide* agriculturists is given in the form of a list of hereditary castes

Fifthly—by forbidding letting In Denmark the law of 1919 in addition to giving the state a right of preemption on sale of small holdings created by it lays down that they cannot be let The Bengal Land Revenue Commission in para 147 of its report recommends forbidding of letting in any form whatsoever, except in certain cases specified in para 148 We understand that the National Planning Committee presided over by Pt Jawaharlal Nehru has also recommended prohibition of letting

We approve only the last method which, in combination with other steps that we propose, will be found to be the ideal solution While the unfettered and unrestricted right of transfer is not an unmixed blessing, as it has tended and must tend to facilitate passing of cultivator's land into the hands of mahajans and non-agriculturists and to reduction of cultivators to the position of tenants or landless labourers, we must recognize that agriculture being quite a speculative business, the cultivator does require money to finance it which he must get from somewhere or other, and to forbid sale of his land altogether, as has been laid down in Germany or attempted in the U P, amounts to almost down-right abolition of his credit. Crops do not provide a sufficient security to induce the money-lender to part with his capital, nor do they provide a satisfactory basis for the successful working of a Co-operative Credit Society. Also just as serfdom had tied peasants to land in Russia, such absolute prohibition of transfer in a way chains them to their holdings and checks all selection among the cultivators

Entailments are, therefore, to be deprecated, principally for the reason that they may in some cases debar an otherwise efficient farmer from progress, inasmuch as they debar him from credit, while in other cases they may keep an inefficient farmer or family in possession of land which could better be utilized by some one else,

who cannot find land or has to be satisfied with inferior land. This comment applies also, though in a diminished degree, to the second class of measures which confer exproprietary rights of occupancy on a cultivator whose holding has been sold up.

Exercise of right of preemption will entail the State in litigation, as the real price of land will always be a matter of dispute in cases of transfer. And restriction of transfer to *bona fide* cultivators too will not serve the purpose, we have in view, as it is very difficult to judge one's *bona fides* and a person who to-day honestly gives an undertaking of cultivating the land himself or in fact lives by agriculture may never take to agriculture or may cease to be an agriculturist to-morrow. The Punjab and Bundelkhand Acts can legitimately be criticized on the ground that they have created a class of agriculturist money-lenders who are not less rapacious than the non-agriculturist money-lenders, and that they have allowed the big land-holders to buy up the small holders, who are the very men who stand in most need of protection. These Acts do not bring about the elimination of the middlemen—the vampires of society—and it does not matter to the well-being of the cultivator that the money-lender or landlord of a different hereditary class has been substituted by one belonging to his own caste.

Lastly, none of these four measures will check letting or sub-letting by the existing or newly-established peasant proprietors who will in their turn become middlemen and thus exploit the labour of the actual tillers. And prevention of the emergence or rise of exploiters and intermediaries is our primary aim.

We propose then —

Firstly—That the State should take over at a fair price—at a fixed co-efficient of revenue—the holding of a person who cannot or does not wish to cultivate any

longer and cannot negotiate a satisfactory private sale himself

Secondly—that leases should be declared void *ab initio* unless they have been made by a widow, a minor whose father is dead, a person of unsound mind, a person who is physically unfit to cultivate his own lands, a prisoner in jail or by a person who is forced to remain absent from home, but no longer. To lessees of such persons no right shall accrue or continue after termination of the lease

Thirdly—that if the holder does not sell his land to the State, nor does he come within the exceptions enumerated above, but lets it to a third person, the land shall be forfeited to the State without compensation

Fourthly—that land shall be allowed to be attached, mortgaged or auctioned only for debts advanced by the State or credit associations and institutions recognized by the State as was provided by a law of March, 1925, in Rumania and proposed in Article 5 of the Nazi Manifesto, and not for private debts

Fifthly—that no expropriatory rights of occupancy shall vest in a proprietor if his land is confiscated by the State or sold in execution of a decree of a court

These proposals secure the right of the State to take over land which cannot be, or is not being, cultivated by the occupant himself, without enmeshing the State in litigation, because the price is fixed in case of voluntary giving over and no price is to be paid in cases of confiscation. They further avoid the necessity of a '*prior*' decision whether a particular individual is or is not a *bona fide* cultivator or whether he is likely to take to cultivation or not, for everybody, whether his father and grandfather were agriculturists or not, is to be judged by his own act and profession. If he actually cultivates, the land is secured to him, if he does not, then the fact that he belongs to a hereditary agricultural class will not protect him, and the community, through the State,

will intervene and settle the land on one who will himself ply the plough. Article 33 of a post-war Transylvanian decree in Rumania similarly laid down that land might be taken back from those who should prove incapable of working it.

A man who does not cultivate himself has, in addition to the right of private sale, the honest, straightforward course of voluntarily handing over the land to the State and through it to the people, if he does not follow this course, well, he will be punished with expropriation. This extreme penalty of expropriation without payment has been devised in order to eliminate attempts at subterfuge and evasion of the prohibition against letting.

A supreme merit of these proposals lies in the fact that the most vital possession of the nation becomes secure against the secret and sinister operations of the private usurer, for, in view of the provision requiring a person holding the land to till it himself, land will cease to be an object of speculation and an attractive field of financial investment. The possibility of middlemen exploiting the labour of the peasantry is thus eliminated, and 'an iron pen dipped in the blood of the Mahajan' need not be used.

Once the big landlords disappear and the above safeguard against the appearance of middlemen in the future are adopted, provisions in the existing law giving certain ex-proprietary rights of possession to a cultivator become useless, they rather diminish his credit in a similar manner as an entailment and, as the cultivator knows that his holding will still remain in his possession, sale notwithstanding, he has a tendency to become improvident and get into debt. The deletion of these provisions will, on the contrary, enhance the credit of the peasant-proprietor and, while restoring mobility to land, will also help to throw out inefficient farmers from the profession.

The critic may say that the provision of forfeiture in case of letting is very harsh, a right to his share of the land in the village ensues a person a retreat and a livelihood if he becomes incapable of earning his living in the outside world. So long as a peasant retains his stake in the village, he can never become an outcaste or a destitute, by taking away this right to land, we are, in a way, taking away his old age pension and insurance. Our reply is that national interest requires such a provision, that an unmitigated right of letting is the source of so many evils. That is a country where land is scarce and claimants too many, it cannot be that one man can engage in a non-agricultural avocation and retain his land too, while the other goes without any occupation : all

CHAPTER VIII

REGULATION OF THE SIZE OF HOLDINGS

Once peasant proprietors have been created and steps taken to see that they do not deteriorate into tenants, the question is—how to maintain them in prosperity? As far as the land system or distribution of land is concerned—and it is with this that we are concerned here—regulation of the size of holdings and their internal organization are the measures that readily suggest themselves to a student of agricultural economics. State policy in this connection may aim at the prevention or abolition of unduly small farms, at the prevention or abolition of large farms or at the re-arrangement of farms which are uneconomically laid out through being scattered or divided into too many plots. This is the fourth set of measures dictated by the second fundamental principle governing peasant proprietary.

CONSOLIDATION

To take in the reverse order, i.e., to take consolidation first. Holdings in our country, as in many other countries, by themselves too small in at least one-third of the cases, are further subjected to fragmentation and are scattered in tiny plots over the whole arable area of the village. 'Consolidation' may be defined as the concentration of scattered parcels of land belonging to the same owner in a single block, or, at any rate, in a smaller number of parcels.

The chief advantage of the system of non-conti-

guous plots is that it prevents some farmers from having all good land and others all inferior land, or land adapted only to one kind of crop. But this advantage is so outweighed by disadvantages that consolidation has been regarded as the very first step towards improvement of agriculture by agrarian economists all the world over. A system of dispersed or scattered holdings is obviously wasteful of labour; consolidation would lead to more intensive cultivation and help in the better tending and protection of the crops.

"The advantages of having in one area all the land farmed by one family", says John Lossing Buck, "while of utmost importance need be only briefly mentioned. Boundary lines would thus be reduced in number and extent, saving land and diminishing boundary disputes; larger fields would be possible and time saved in making trips to fields. Further, if land were all in one piece, barriers, such as fences, hedges or ditches, could be erected to obtain privacy and prevent trespassing, thieving and gleaning. The control of irrigation and drainage water would be more easy; for instance, fields are now so scattered that often it is not economical for a farmer to dig a well for a small plot of ground and it is not always easy for several farmers to co-operate in using the same well. Control of pests, such as rodents, insects and diseases, would also be less difficult".¹

During his evidence before the U. P. Agricultural Re-organization Committee (1939-41), the Consolidation Officer of the Balrampur Estate claimed that after consolidation, which reduced the number of fields from 314,200 to 29,200, the cost of labour had gone down by 27.75 per cent while the produce had gone up even more appreciably, i.e., by 41.5 per cent. Germany, where this reform had covered over 382,000 hectares, obtained from 1933 to 1936 an increase in gross return amount-

¹ Chinese Farm Economy" (1930), pp. 27-28

ing to the equivalent of nearly 96,000 hectares, reckoning at 25 per cent the increase in yield in the areas consolidated

Many Provincial Governments in India have enacted Consolidation of Holdings Acts, yet the State cannot be said to have shown any enthusiasm in carrying consolidation through. In Poland official encouragement takes the form of exemption of consolidated properties from the State Land Tax and the cost of consolidation is borne by the parties concerned in the form of small annual instalments distributed over five years. Here it is only in the Punjab that some sort of success has been achieved in this direction (more than a million acres, out of a cultivated area of 30 million acres, having been consolidated), the reason being, as the Royal Commission on Agriculture points out on page 139 of its report, the comparative homogeneity of soil and *simplicity of tenure*. Almost half the land in the Punjab, as the reader must know, is cultivated by peasant proprietors and about the other half by non-occupancy tenants; the complexities arising out of the vested interests of the middlemen are therefore largely absent.² In order to quicken the pace of consolidation the Punjab Government decided to grant a partial remission in land revenue of the holding subjected to consolidation.

The Government and the landlord-tenant system, however, are not entirely to blame, although the consolidation of small holdings is always advantageous, it nevertheless often encounters in agricultural circles obstacles which are sometimes difficult to overcome. The reason is that the procedure of compulsory consolidation through legislation, besides being very expensive and tedious, involves acts of ejectment and forcible ex-

² (Here, by the way, we have still another argument against the present zamindari system, as long as it lasts, consolidation of holdings is difficult of achievement)

propriation which violate the very fundamental aspects of the institution of private property. The opinion of the country-side can only be won over to consolidation where its practical advantages are successfully explained and proved, and such persuasive demonstration of practical advantages is possible only through voluntary co-operation. It is interesting to note what Professor Birzi has said in this connection about the Italian Campagna—

“Merely for the purpose of our investigation”, he writes (1933), “we have from time to time asked peasant proprietors their opinion as to the propriety of consolidation. It would not be correct to say that they were against such a course. It would be more true to say that they did not even regard it as a possibility. So powerful and unshakable in the peasant mind are the conception of *meum* and *teum*, particularly in connection with land. But this particular obstacle should not be over-rated. A properly conducted experiment on a large scale might well convince the peasant who is very intelligent and always ready to discuss and to learn”

As is obvious, however though undiluted compulsion would involve stupendous expenditure of money and effort, not giving an equivalent economic return in terms of increased production or saving of time and labour to better purpose, and persuasive co-operation is a better way, yet even this is not an easy task. With regard to this scheme in the Punjab, where the owners of land who desire consolidation form themselves into a Society, pool their holdings and prepare a scheme of re-arrangement which must be accepted by at least two-thirds of its members, Darling³ says —

“It is easy to chronicle these results but most difficult to produce them. For everyone has to be satisfied

³ Darling “The Punjab Peasant in Prosperity and Debt”, p. 253 quoted by Nanavati and Anjaria on p. 136. “The Indian Rural Problem”

and all conflicting interests reconciled. The ignorant have to be enlightened and the stubborn conciliated. The poor, the weak and the speechless have to be as much regarded as the rich, the strong and the vocal. The only weapon is the tongue and the only means persuasion. Moreover, technical difficulties abound, and underlying all is the peasant's passionate love of his land with the jealousy of neighbours that passion breeds. In such circumstances the work must be slow. The marvel is that it is done at all."

It seems that a combination of compulsory and co-operative methods—i.e., provided a section of cultivators agrees to consolidation, compulsion may be used against the rest, as provided in the U.P. and Punjab laws coupled with the taking over by the State of the cost of consolidation, or a very large part of it, would, perhaps, accelerate the process of consolidation at the desired pace. A national or governmental drive from the top and a staff of honest and competent consolidation officers and surveyors, 'amins, etc., possessing imagination, interest in their work and sympathy for the cultivators, are, of course, the two *sine qua non* of the success of the scheme on any national provincial scale.

But while the economic value of consolidation of holdings is undoubtedly great and it is one of the reforms essential to better and intensive farming, yet there is a definite limit to its advantages and scatteredness of holdings cannot be regarded as one of the main causes of rural poverty.

Abolition and Prevention of Large Property

We have seen that large-scale farming with paid labour has proved unremunerative, and that in order to obtain the maximum out of the land, small-scale intensive farming is essential. Further, that such land economy also serves to keep a larger number of persons on

the soil than any other. Therefore large farms—though they be very few in this country—should be broken up into small holdings and after, say, fifty acres at the outside, out of the Sir and Khudkasht area, if he possesses any, have been set aside for the proprietor for his own cultivation, the remaining area be acquired by the State at the rate of, say, fifteen times the land revenue or even less, and distributed, first, among uneconomic holdings of the village so as to make them economic and then the rest be settled upon landless agricultural workers to the extent of, say, six acres and a quarter each. The governing principle of distribution of land would be that no man should have more land than he could himself farm or less than is essential for the maintenance of himself and his family, and, if possible, a reasonable surplus. Large property may, however, be allowed to continue as model or demonstration farms which shall serve solely for experimental purposes or as schools and colleges for cultivators and their sons.

Next, we have to provide a safeguard against the re-emergence of large farms in future. Such provisions against the creation of unduly large holdings exist in many countries. In Rumania, according to a measure promulgated in March 1935, a purchaser of land should not own more than 25 ha arable land including the area to be sold. In Denmark the existing laws put insuperable difficulties in the way of adding of one small holding to another so as to make a large farm. In Latvia, in cases where, as a result of succession, several properties, the total area of which exceeds 50 ha, are concentrated in the hands of a single person, the latter must liquidate them voluntarily within three years of the day on which he entered into possession of the deceased's property. He is free to choose one or other of his properties upto a total of 50 ha. In New Zealand, some of the Canadian provinces and the State of Oklahoma in the U S A taxes are levied at higher rates on large than small holdings.

Such restriction of large property has, in fact, been considered essential in almost all countries where peasant proprietary has been created, it is essential in India as well. And it is heartening to note that Bengal Land Revenue Commission has recommended in para 151 of its report that land should in future be transferable only to families which possess less than 20 acres altogether. We propose that land should not be allowed to pass to an individual, except through inheritance or survivorship, so as to make his holding larger than $12\frac{1}{2}$ acres altogether. In no case, however, as said before, shall the agricultural property of a person exceed 50 acres.

Abolition and Prevention of Uneconomic Holdings.

It is, however, the question of uneconomic holdings that is most baffling. The splitting-up of agricultural holdings into uneconomic units is admitted on all hands as one of the main causes of the peasant's poverty, it is the curse of Indian agriculture in particular. But before we deal with its causes and suggest remedies, let us put ourselves the question—what is an uneconomic holding?

The lower limit of a farm is determined by the necessity of providing continuous use for the labour and machinery employed, that is, by the necessity of full use being made of essential and indivisible factors of production so that these factors will not be wasted through idleness. Any farm, therefore, that does not provide full employment for one unit of organization, or, in other words, whose area is less than what a peasant can effectively cultivate with the minimum of agricultural equipment that he must inevitably maintain in all circumstances, and with the labour that an average peasant family has usually at its disposal—is economically too small. As regards labour, American writers agree that the farm should never be so small as not to provide continuous work for two men. Now an agricultural

family in our country has 2 2 workers on the average, and an indivisible factor of production in Indian conditions, as in many other countries too, is one yoke of oxen, irrespective of the area that the cultivator possesses. What area is best that will afford full employment for two agricultural workers and one yoke of oxen depends on numerous local conditions like the fertility of the soil, the nature of the crops or type of farming, the irrigation facilities, situation in respect of markets or traffic, etc. An economic holding, therefore, will differ in area for the various regions and for various agricultural purposes.

There is, however, another consideration which weighs with many writers on Agriculture while discussing the minimum size of holdings. A small holding has been defined by Venn as "that area of land which by their own labour supports its occupier, his wife and family". Such writers insist that that holding alone is economic which, after allowing for rent or revenue, seed, manure, depreciation of cattle, implements and other expenses of cultivation, can maintain the cultivator and his family in reasonable comfort from one end of the year to other. We would not quarrel with this definition but for the fact that it is unscientific, for it takes no regard of the utility or wastage of the factors of production and makes the area dependent, in addition to fertility of soil and irrigation facilities, etc., on the skill and industry of the cultivator and also on his standard of reasonable comfort, each of which will vary considerably from one individual to another, and that a holding which is economic this year may, with a change in the prices of agricultural produce or in the incidence of taxation, not be able to support the family, and thus be rendered uneconomic next year. That is, it envisages more variable determinants than the definition previously given. It would be more correct to call such a holding a 'subsistence' holding rather than an 'economic' one. It may

also be called a 'living' holding in the sense in which one speaks of a living wage. An economic unit should obviously be determined by the play of factors of production while a subsistence unit can be ascertained only after taking into consideration many monetary and also non-monetary factors. This difference, however, should not deter us from determining an area which shall not be sub-divided further, for it cannot but be, in the nature of things, ultimately more or less arbitrary in both cases. And also because what is an economic holding must also be in most cases a subsistence holding and vice versa. We shall, therefore, for convenience sake, confine ourselves to the word 'economic' hereafter.

Whatever be the minimum limit, this much is certain that the possessor of an area below it shall remain comparatively poor and may ultimately have to be sold up and to join the ranks of landless labourers. Sir Malcolm Darling gives the small size of holdings and the way in which they are sub-divided as one of the four main reasons for borrowing by the peasant. It is, therefore, a legitimate function of the State to take action to prevent such uneconomic holdings from coming into being and to abolish them if they already exist.

As regards the minimum limit of a farm fixed in other countries we find that in Prussia, according to legislation associated with the name of Stein and Hardenberg (1807-16), an area worked by at least one yoke of oxen was held to constitute a complete peasant holding. In France where medium-sized or peasant property tends more and more to become the predominant farm, "medium-sized" has been defined as "sufficient to provide work and a livelihood for the entire family". Similar is the principle followed in Poland where the average size of the newly-formed holdings is 9.4 ha. In Czechoslovakia the area of family properties depends upon economic conditions in the region concerned, the underlying principle being that undertakings should be

large enough to provide a livelihood for a peasant family. The average area required for this purpose is estimated at from 6 ha to 15 ha. In Denmark an Act of 1919 definitely took up the position that a holding should usually be a self-sufficient one. It was laid down that 'the land should, as far as possible, be divided into holdings sufficient to maintain a family without the help of outside labour'. The ideal is the independent family farm, and official calculations there assume that 5 ha, i.e., $12\frac{1}{2}$ acres will on an average be enough, in no case was a holding created by the State to exceed 7 ha. In Rumania in the reform of 1907 the limit of peasant lots was fixed at 5 ha and in the hills at 3 ha. In the reform of 1921, the size of the typical re-settlement holdings was fixed at a maximum of 9, 10, $12\frac{1}{2}$ and 15 acres in the various provinces. "Experts considered", says David Mitrany, "that 3 has was the smallest area on which machines and implements could be rationally used".

"The most general view was", says the Bengal Land Revenue Commission in para 172 of its report submitted in April, 1940, "that 5 acres would be the minimum area required to keep an average-sized family in reasonable comfort, but if the land is capable of growing nothing but *aman* paddy the area required would be about 8 acres". Here it is suggested that the minimum area for the plains may be fixed at $6\frac{1}{4}$ acres and transfer or subdivision as would render a part less than $6\frac{1}{4}$ acres be prohibited. In practice, therefore, holdings would usually vary between $6\frac{1}{4}$ and $12\frac{1}{2}$ acres. Those who are conversant with rural life will agree that $6\frac{1}{4}$ acres of good soil can keep an efficient peasant and his pair of bullocks fully occupied and also keep him and his family in bread and clothes throughout the year, while $12\frac{1}{2}$ acres of poor soil will serve in unfavourable circumstances. In the Gorakhpur division where the soil is fertile and intensively cultivated, the average area of a holding

is 4 8 acres whereas in the Jhansi division where the soil is unfertile, it is just over 12 acres

In this connection Dr Radhakamal Mukerji says—⁴

“Meticulous agricultural surveys that have been carried out in various parts of India indicate that the minimum subsistence family holding here would be 4 to 6 acres. Differences in soil productivity and agricultural water-supply, crop rotation and agricultural practice and skill of the cultivator, alter the size of the subsistence holdings. For the whole of India 5 acres could be fairly accepted as a fixed point round which the argument for saturation can centre. Improvement of agricultural methods, migration and industrialization make the subsistence holding somewhat of an abstraction, but such an abstraction has its uses in the economics of both changing and stationary worlds”

The area of an average holding in European countries in hectares is expressed by the following figures which relate to the year 1929 or 1930—

Italy	6 25
France	11 6
England	26
Germany	8 7
Denmark	15 5
U S A	157

In the U S A with the growth of industrialization and use of machinery on the farms the number of workers in agriculture has decreased and in the past fifty years the average area per worker has risen from 32 acres to 49 acres or nearly 50 per cent

As regards the size of agricultural undertakings in India, the following figures taken from the census report of 1921, giving the number of cultivated acres per agricultural worker speak for themselves—

⁴ “Food Planning for 400 Millions”, pp 4-5

Bombay	12 2
Punjab	9 2
C P & Berar	8 5
Burma	5 6
Madras	4 9
Bengal	3 1
Bihar & Orissa	3 1
Assam	3 0
U P	2 5

According to the Agricultural Journal of India for the year 1926, page 109, only 24 per cent of the holdings in India have an area of more than 10 acres each. During the last twenty years the area per agricultural worker and the percentage of holdings above 10 acres must have been reduced greatly

India will thus be seen to compare very unfavourably with other countries, but even in India the U P stands at the end of the table. The average number of workers in a peasant family, as we have seen, being about 2.2, the average holding comes to 5.5 acres in the U P., this is also the figure arrived at by the Provincial Banking Enquiry Committee. According to another calculation, leaving out allotments, the average holding over the whole province (excluding the States) comes to 6.7. "These holdings" (sic), says the report of the Agricultural Re-organization Committee, U P (1939-41), "are now so small that barring parts of China, most of Japan and parts of Italy, they are perhaps the smallest in the world" (p. 45). It is to be remembered that 5.5 or 6.7 acres is the average, a great number of holdings are below this figure. "In the United Provinces" says Dr R. K. Mukerjee⁵, "it has been estimated by the Banking Enquiry Committee that the majority of the holdings are uneconomic, i.e., below 5 acres, which are the minimum necessary for maintaining a peasant's family. Thirty-five per cent of all cultivators of the United

⁵ "Food Planning for 400 Millions", p. 8

Provinces are living below the economic level, and cannot even in the best of years make both ends meet. Another 52 per cent are living at a just above the economic level, making ends meet in a good year but not in a bad one."

Undoubtedly undue division of the land renders sound cultivation impossible and increases the cost to a point at which cultivation ceases to pay. It is clear that a fairly large number of holdings in the country have been reduced to this condition and if further subdivision is allowed to go on unchecked, a stage will be reached at no distant date when very few economic holdings will be extant. In addition to the nature of the land, the farmer's welfare or standard of living is closely dependent upon the size of the holding (which in turn is determined by the density of farming population). It should, therefore, be the endeavour of statesmen to preserve to the farmer, land sufficient in the circumstances to enable him to live in reasonable comfort.

What direction then should our endeavours take in this country? To find out an answer to this question, we shall have to look to the causes. Briefly put, the excessive sub-division is due to the laws of inheritance, prevalent both amongst Hindus and Musalmans, according to which land, however little, is liable to be divided amongst all the heirs of the deceased, to the fanatical attachment of the peasant to the land of his forefathers and to the absence of an industrial outlet for the population and the consequent concentration of overwhelming numbers upon agricultural land for their means of livelihood.

NEED OF INDUSTRIALIZATION

To deal with the latter cause first. Everywhere the agricultural class has always been comparatively poor, i.e., poorer than the industrial, trading and other sections of the community. Mihail Manoilescu, Presi-

dent of the Union of the Chambers of Commerce and Industry, Rumania, in his book entitled "Theory of Protection and Exchange", published in 1929, bases his entire argument in favour of protection of agricultural produce on the greater productiveness of labour in industry than in agriculture

He quotes statistics showing the total income of twenty-two countries, the proportion of agricultural income to total income, and the proportion of agricultural workers to the total number of workers in each country. Taking the twenty-two countries together, it is found that 20 per cent of the total income was produced by 52 per cent of the total number of workers, and 80 per cent of the total income by 48 per cent of the total number of workers. A simple calculation shows that "all other human activities are on an average approximately 4.35 times more productive than agricultural activity" (p. 61).

In the U.S.S.R. also, according to the statistical department of Gosplan, in 1933 agriculture created only 16 per cent of the national income, industry being credited with 52 per cent.

In justice, or in a just society, labour should be rewarded according to its quality, that is, the amount of energy expended and the skill required, so that an hour's labour devoted to, say, ploughing, ought to earn about the same reward as an hour's work by an ordinary factory machine-minder. But, in actual fact, the net reward of farm labour is far inferior to that of factory labour, apparently because remuneration is determined by supply and demand and an agricultural labourer in a unit of time produces less than an industrial worker as he has much less machinery to work with. (Farm income are not low, it will be seen, because farms are too small, farms remain small mainly because agriculture can never be expected to earn the same rates of return as industry does—because the scope for making profit in

agriculture in general is low, and in consequence the investment of capital in large units is not profitable, apart from exceptional circumstances.)

Industrialized countries, therefore, stand to gain on account of the intrinsic superiority of industry over agriculture as a source of income. That is why the government of every country has tried to develop its own industries and manufactures and to find employment for its nationals in business and avocations other than mere production of raw materials

The movement of population from the country to the towns and cities is one of the signs of the change from an agricultural to an industrial state (That standardization and electricity have made it possible, in future, for a country to become industrialized without its population being herded into big cities, is, however, irrelevant to the point in issue) To show how this shifting of the population from agriculture to manufacturing and commerce has gone on in some of the European countries we quote from the final report of the Agricultural Tribunal of Investigation set up by the British Government in 1923—

“In all countries, even the most agricultural, rural population has, in the last fifty years, become a constantly smaller proportion of the whole population In Denmark between 1880 and 1921, it fell from 71 to 57 per cent, in France between 1875 and 1921, from 67 6 to 53 6 per cent, in Germany between 1875 and 1921, from 61 to 37 8 per cent, in England and Wales between 1871 and 1921, from 38 2 to 20 7 per cent” (page 175)

In India the percentage of the urban population to the total according to the census of 1941 is hardly 13

As regards the relative decline of agriculture in the U S A, the *Businessmen's Commission on Agriculture* writes on pages 132-33 of its report—“This movement of population from the less profitable rural to the more

profitable urban pursuits (sic) has been going on for many decades and is reflected in the rapidly declining ratio of farm workers to the more gainfully occupied which in 1820 was 86 per cent and by 1920 had fallen to 26 per cent”

The following table indicates the position of India in the matter of occupation of her population, in relation to that of some of the western countries—

<i>Country</i>	<i>Percentage of working population dependent on agriculture to the Total Working Population</i>
United Kingdom	6
France	35 6
Germany	28 8
Italy	47 7
Canada	28 7
U S A	22 0
India	67 2

These figures have been taken from statistics prepared before the last World War—the first four from League of Nations’ Publication, Series No 3, “Population and Agriculture, etc” (Document No I), page 8, and those for Canada and the U S A from year-books for the year 1939 and that for India from the census of 1931. The figures for India will rise to 71 if those who follow agriculture as subsidiary to some other occupation are included

According to figures quoted by Sir M Vishveshwaraya in his address delivered at the All India Manufacturers’ Conference held in Bombay in March, 1941, while the percentage of the population engaged in industry and commerce is 73 1 per cent in the United Kingdom and 52 per cent in the United States of America, in India the comparable percentage is 16 9 per cent. As regards per capita income, while in India it is taken as

Rs 58/- from agriculture and Rs 12/- from industries for a total of Rs 70/-, the corresponding figures for the United Kingdom are Rs.68/- from agriculture and Rs. 463/- from industries or a total of Rs 531/- from both, and for the United States of America the figures are Rs. 219/- from agriculture and Rs 830/-⁶ from industries or a total of Rs 1049/- from both. And finally Canada which has only 3 per cent of the population of India has a bigger industrial production than India

As the figures quoted above show, all progressive countries in the modern world are moving towards greater and greater industrialization. Their economic centre has shifted, or is shifting, from the side of agriculture to that of industry. India, on the other hand, tells a different tale, here, although there is progress of manufacturing production in certain lines, the tendency has long been in the opposite direction and the figures point to the progressive de-industrialization of the country due to decay and extinction of rural arts and handicrafts. The census returns from 1891 to 1931 show that the proportion of the population depending directly upon "Pasture and Agriculture" has steadily increased. The figures are .—

	%
1891	61
1901	66
1911	72
1921	73
1931	71

The reader should not be misled by the figure for 1931, as in the census of that year several changes were made as regards the collection and presentation of occupational statistics. According to the census report of 1931, 9.7 per cent of the population was supported by industry, while in the report of the 1880 Famine Com-

⁶ (By 1943, the figures rose respectively to 15,800 and 1000).

mission the percentage of the male population engaged in industry is given as 12.3. The decline in rural industries which had the effect of driving people back on the land is only explanation of this occupational trend.

"Many economic forces", say Nanavati and Anjaria⁷, "such as the steady increase in population, the decay of indigenous industries, lack of other avenues of employment and the rise in land values have been responsible for this increasing pressure on land. Available statistics show that most of the rural workers from occupational castes who have been compelled to abandon their traditional occupations have now taken to cultivation."

⁷ "The Indian Rural Problem", pp. 13-14.

This statement is based on Table XI "Occupation of selected castes", pp 414-419, census of India, 1931, Vol I Part II

It is thus found that in 1931 only 27% of the workers were engaged in their traditional non-agricultural occupation and that about 64% of those who had given it up had taken to agriculture and allied pursuits."

At the root of much of the poverty of the people of India and of the risks to which they are exposed clearly lies the unfortunate circumstance that to-day agriculture forms almost the sole occupation of the masses of the population. The Bengal famine of 1943-44 is, in a way, a living witness to the horrid truth of these risks

In a speech in Birmingham on 15-10-43 on the food situation in Bengal, Mr L S Amery, the then Secretary of State for India, made himself responsible for the following statement—

"In the years between 1931 and 1941, the population of India increased by 50 millions, more than the whole population of the British Isles. Every month there are some 400,00 new mouths to be fed. The vast majority of this new population, possibly 40 millions, have had to find their living off the same land which barely sustained a smaller population in the past. *Even with every effort to develop industry, to exploit irrigation and to improve agricultural methods the menace of famine has never been wholly removed*" (Italics are ours)

So Mr Amery admits that 80 per cent of the population have no other occupation than agriculture. And how grateful would the Indians have felt only if the italicized statement was true. It will not be wholly irrelevant to our purpose if we examine it a bit closely.

The 'efforts' of Britishers in their own country led to the fall of the proportion of agriculturists in the gainfully employed population from 15.1 per cent in 1891

to 8.5 in 1911, 7.1 in 1921, 6.4 in 1931 and 5.6 in 1941, whereas in our country those 'efforts' had quite an opposite result, as the figures given above prove. What a commentary on their 'efforts'!

As regards irrigation, it is sufficient to state that of the total area of 248 million acres under crops in British India in 1940-41, only 55.8 million acres were irrigated from all sources, i.e., a bare 22.5 per cent out of which Government irrigation works were responsible only for 32.5 millions, i.e., only for 13.1 per cent. The rest 77.5 per cent depended on the monsoon. In the States which have a cultivated area of 68 million acres, about 11 million acres or only 16 per cent of the total is irrigated. The pace of progress in irrigation in British India will be apparent from the fact that whereas the average irrigated area in 1911-12 to 1915-16 was 44.34 million acres, twenty-five years later in 1936-37 to 1940-41 it had risen only to 53.52. No single factor can influence crop production to the same extent as irrigation supply, whether artificial or natural. 'The production of irrigated crops per acre is on an average 50 to 100 per cent higher than that of irrigated crops in the same locality. As 4/5th of the cultivated area is unirrigated, it is roughly estimated that the provision of irrigation facilities alone can increase crop production by about 60 p.c.; or if certain rice areas are excluded, the increase in production would be about 50 p.c. if all water resources—existing or potential—are fully utilized.' Supply of water not only greatly increases the yield but also enables land which would otherwise be uncultivated owing to inadequate rainfall, to be brought under the plough. Further, irrigation increases the double-cropped area.

As for their 'efforts to improve agricultural methods', the following comparative figures speak for themselves —

YIELD PER ACRE IN TONS—1939-40⁸

	<i>Rice</i>	<i>Wheat</i>	<i>Sugar - cane</i>	<i>Cotton</i>
U S A	1 01	0 37	20 06	0 11
Canada		0 52		
Australia		0 42		
Japan	1 61			
Egypt	..			0 23
Java			54 91	
Egypt				0 23
Java			54 91	
India	0 35	0 32	12 66	0 04

The following tables are given by Wadia and Merchant in "Our Economic Problem" on page 140 —

⁸ The Bombay Plan

QUINQUENNIAL AVERAGE (1932-36) IN QUINTALS PER HECTARE

Crop	China	Japan	France	Italy	USSR	USA	Total average of all coun- tries	India	
								Abso- lute quan- tity	Index numbei tity
Rice	25 6	36 0					30 8	13 7	44 4
Wheat	11 1	13 8	15 9	14 3	7 8	8 3	11 9	7 0	58 8
Barley	12 1	20 4	14 6	10 6	8 9	10 5	12 8	9 4	73 4
Maize	13 7	13 8	14 4	19 6	10 1	13 2	14 1	8 7	61 7
Cotton	2 4				2 4	2 1	2 3	0 9	39 1
Linseed			4 6	5 9	2 8	3 5	4 2	2 7	64 3
Ground-nut	18 2	21 5				7 9	15 8	10 0	63 3

Yields in lbs per acre of some crops for 1938

<i>Crop</i>	Siam	Egypt	Korea	Italy	Argentina	Germany	India
Rice	1299	3136	2464	4928			834
Wheat		1882		1434	1053	2464	728
Cotton		440			156		97
Rapeseeds						1769	420

The following two tables further prove that in nearly all other countries the yield of rice and wheat per acre is either increasing or almost constant, but in India it registers a definite decline, as time passes—

AVERAGE APPROXIMATE YIELDS OF RICE IN LBS PER ACRE

	1909-13	1926-31	1931-36	1936-39
India (including Burma)	982 ⁹	851	829	805
Burma		887	845	868
Siam		1017	961	878
U S A	1000	1333	1413	1482
Italy	1952	2797	2963	3000
Spain	2969	3749	3709	
Egypt	2119	1845	1799	2079
Japan	1827	2124	2053	2307

AVERAGE APPROXIMATE YIELDS OF WHEAT IN LBS PER ACRE

	1909-13	1924-33
U S A	852	846
Canada	1188	972
Australia	708	714
Argentina	596	780
Europe	1110	1146
Russia	612	636
India	724	656

⁹ 1914-19 to 1918-19

In Germany the average production of wheat was 1500 lbs per acre in 1921 and went up to 2200 lbs. in 1941. Similarly in the same period it increased in Italy from 900 lbs to 1350 lbs per acre. The economic loss to India on account of this low yield in respect of wheat alone is well explained by Sir Mac Dougall in his note to the Central Banking Inquiry Committee—

“If the output per acre in terms of wheat were raised to that of France, the wealth of the country would be raised by £s 669,000,000 a year. If the output were in terms of English production, it would be raised by £s 1,000,000,000. In terms of Danish wheat production, the increased wealth to India would be £s 1,500,000,000 per year”

Mr K. C. Neogy stated in the Central Legislative Assembly in November 1943 that “it was also revealed by figures that the yield per acre of land had not progressed since the days of Akbar, although Japan with the same problems of over-population and uneconomic holdings, has a yield per acre of three times that of Bengal, and China more than double that of Bengal”.

As far as wheat is concerned, its yield per acre has decreased since the days of Akbar. Dr. R. K. Mukerjee gives the following figures¹⁰ —

	<i>Average yield of Wheat per acre in lbs</i>	<i>Source of information</i>
Akbar's times	1555	Ain-i-Akbari
1827-40	1000 (irrigated) 620 (non-irrigated)	Thornton's Settlement report of Muzaffarnagar
1917-21	1280 (irrigated) 840 (non-irrigated)	Later Settlement Report of Muzaffarnagar
1931	1000 (irrigated) 900 (average)	Average yield of crops in India (quinquennial report)

¹⁰ “India Analysed”, Vol III, 1934, p 169

The reader will be surprised to find that in British India while the acreage under Rice and Wheat shows a slightly rising trend, their total production has fallen —

Average for years	RICE		WHEAT	
	Millions acre	Millions Tons	Millions Acre	Millions Tons
1911-16	67 3	26 08	24 2	7 98
1938-43	69 76	23 16	26 26	7 44

Next to irrigation, the use of manure offers the most important single means of increasing the yield of crops. *"The Journal of Scientific and Industrial Research"* points out in a recent issue that "considering the application of nitrogenous fertilizers alone, whereas in Holland and Great Britain, 60 4 pounds and 8 8 pounds of nitrogen are added to every acre of the soil, the corresponding figure in India is hardly half a pound" In the same connection, the *"Hindustan Times"* writes on 15-6-44

"The world consumption of nitrogen bearing materials, principally sulphate of ammonia, in 1936 was just over 12 million tons, while the consumption of phosphates amounted to 25 million tons. Indian consumption just before the war was a bare 100,000 tons, though India had half the world area under rice, 13 4 per cent under wheat, and 29 4 per cent under cotton. She had also considerable areas under oil-seeds and sugar-cane. According to the rate of world consumption Indian agriculture would need at least three million tons of nitrogenous fertilizers and five million tons of phosphates"

It took ten months of 'efforts' on the part of our rulers after three millions and a half of people had died for want of food, to get to the stage of making plans and sending out to India a technical commission com-

posed of experts drawn from two British firms to recommend sites for location of factories for producing chemical fertilizers to the quantity of 35 million tons a year!

In his Birmingham statement Mr Amery has slyly hinted that the population in India has increased at an alarming rate and a rate higher than in other countries, and, perhaps, that is why the 'efforts' of our rulers have been unavailing. This suggestion, however, has no bottom. Here are the population figures in millions for India and some of the Western countries —

Countries	1815	1890	1935	Area	Density per sq mile
U S A	9 8	62	137	3,738,000	36
France	30 4	38	41	213,000	192
Italy		30	43	120,000	358
Germany	21	49	66	182,200	372
Great Britain	14	33	44 5	95,030	468
India		279	358	1,581,410	246

Germany lost some of her territories after World War I, so in fact the rate of increase in the period 1890-1935 was greater than the figures indicate. In 1941 the population of Great Britain had risen to 46 75 millions and that of India to 389 millions. These figures clearly prove that India is still far less densely populated than Great Britain, Germany or Italy. Statistics further prove that during the last three centuries the population of Great Britain had increased more than eight times as against that of India which had grown four times only. The population of Europe as a whole (including Russia) increased from 188 millions in 1800 to 266 millions in 1850, 401 millions in 1900 and 505 millions in 1930. And in the last 50 years while the increase in the population of the U. S. A. has been 136 per cent, the increase in the population of Great Bri-

tain, viz., 40 per cent is not less than that in the population of India which was 39·4 per cent

Also, our big population, instead of being an argument in justification of the backwardness of the country, should be a compelling circumstance of our progress. The pressure of the increasing population on the resources of a country has been, in the West, one of the most potent causes of industrial advancement. It should be a reason for spurring us also to greater and greater efforts.

To-day India has a population of more than 400 millions and it is over-populated in relation to the existing stage of her industrial and agricultural development. But India has a large area and vast natural resources; the primary problem that faces us is not that of over-population, though it is serious, but that of under-development of resources, both agricultural and industrial, in a wide sense of the term. The existing situation only emphasizes the need for developing the resources of the country rapidly and to the fullest possible extent.

To knock the argument of over-population on the head it is pointed out in a recent issue of the "*British Medical Journal*" that if all the advantages of civilization were applied, Indian Agriculture could produce nearly $4\frac{1}{2}$ times as much food which would be sufficient for a population three times that of present-day India.

The problem of food shortage ought to have been much more serious in England which produces a very much smaller percentage of its requirements of food than what India does. Yet, according to facts culled by Sir Shri Ram from an official publication, "*Home Front Handbook for England*", in an article in the "*Hindustan Times*", dated September 11, 1943, the success that attended the efforts of the British Government during the first three years of the last War is illustrated by the following results —

The area under cultivation has increased by six

million acres. The acreage under wheat has recorded a 35 per cent increase over the average of the previous 10 years

The area under potatoes has been extended by 60 per cent. The production and consumption of milk is on a scale much greater than in normal times

Taken as a whole, production has been increased by 70 per cent

The "*Leader*" in its issue of 2nd December, 1945 has the following news —

"Since the army of the land was called to action in Britain on September 3, 1939, says the '*Land at War*'. 300,000 farming 'strong points in the battle against hunger were armed, equipped and manned', 6,500,000 new acres have been ploughed up, 117,000 women have replaced 98,000 skilled farm hands who were called to services, milch cows increased by 300,000, other cattle by 400,000. But sheep, pigs and poultry went down by one million. Many crops were doubled, wheat 109 per cent, barley 115 per cent; potatoes 102 per cent, oats, sugar-beet, vegetable and fruit 34 to 58 per cent"

The question of potential increase in yields has been discussed by Dr Burns, who served for some years as Agricultural Commissioner with the Government of India, in his monograph on "Technological Possibilities of Agricultural Development in India (1944)". According to this authority, yields of rice could be "increased by 30 per cent, 5 per cent by using improved varieties, 20 per cent by increasing manure, 5 per cent by protecting from pests and diseases. There should even be no difficulty in increasing the present average outturn by 50 per cent, viz., 10 per cent by variety and 40 per cent by manuring". Potential increases in the yield of wheat and millets, according to this authority, are of the order of 30 per cent; for cow and buffalo milk, 75 and 60 per cent respectively. The present average yield of sugar-cane is about 15 tons per acre. Dr Burns

thinks it possible to produce yields of 30 to 55 tons per acre according to the part of India. These are technological possibilities, illustrating what might be achieved by the application of thoroughly efficient agricultural methods.

If it is humanly possible to multiply British food production by seventy per cent or even more during the last War, it cannot be impossible in India. It is not over-population that is responsible for our poverty or for millions of deaths from hunger in 1943-44, in the last analysis it is political subjection that is responsible. The right to self-government is a necessary preliminary to improvement in the food situation and, for the matter of that, in everything else.

"The prosperity and development of a country", says Dr N. Gangulee, "are ultimately dependent upon two factors, namely, the natural resources the country possesses and the capacity to utilize them to the best advantage. The wealth of India's natural resources is vast and yet the poverty of the bulk of the people is phenomenal. For an expanding population the preponderance of agriculture as a means of livelihood is bound to give rise to an unbalanced economy"¹¹

The story of the destruction of India's industries is a painful chapter of the Indo-British connection of the last well-nigh two centuries about which it is difficult to write with restraint. What we are here concerned with, however, is to prove that one baneful result of this unbalanced economy where almost the whole population has been crowded into agriculture, has been the undue reduction in the size of holdings making them uneconomic.

In industrialization lies the clue to a solution of the problem of agricultural overpopulation in a large degree. Industrialization, therefore, is a major remedy of the

¹¹ The Indian Peasant, 1935

evil of uneconomic holdings, but it cannot be applied unless economic freedom is first achieved which, in turn, hangs on political freedom. At the same time it is a long-term or distant remedy, for even if we have the power to-day, India cannot be industrialized over-night, it will take a considerable time. Further, even after all possible industrial development has been carried out, we can envisage no time when agriculture will cease to engage, say, less than half or two-fifths of India's vast millions. Still further, apart from its possibility, it is not desirable for more than one reason to carry industrialization beyond a certain point. For a considerable time, particularly since the First Great War, agrarian policy in such industrialized countries as Britain, France and Germany, though it has not met much success, is directed to checking the flight from the land by improving the distribution of agricultural undertakings.

LAW OF INHERITANCE TO BE CHANGED

Despite industrialization, there will still be uneconomic holdings leading to poverty of occupants and waste of national energy. The appeal that the land has for the son of a cultivator, his inborn attachment for the village, his conservatism the comparative independence of a farmer's life—these and other things will still bind many a peasant's son to his land, however uneconomic it may be and however large and various the openings that industrialization may offer. There are some people, however, who regard industrialization as the only or complete remedy. To such we would address a definite question, viz, whether they expect in every case one of the two brothers who inherit between them, say, eight acres of land only, to move to the city of his own accord, and leave the other in full enjoyment of an economic holding? Obviously they cannot so expect, one of the two brothers, it is submitted, shall have to be compelled to leave the land. Legislation, there-

fore, has to be undertaken to cope with the evil, industrialization notwithstanding, the law of inheritance has to be changed. To clinch the argument, such a measure was found necessary even in over-industrialized countries and in those where agricultural land is in abundance

Here we may usefully quote the views of Sir Mani Lal B Nanavati, a member of the Famine Inquiry Commission (1945) —

“The continuing increase in the number of uneconomic holdings is a serious evil. It is not only a question of the unsatisfactory economic position of the owners of such holdings who are compelled to eke out an uncertain livelihood by cultivating land as crop-sharing tenants, by working as day-labourers, by driving carts, etc. Uneconomic holdings also constitute a serious obstacle to efforts to increase the productivity of the land. The cultivator who lives on the margin of subsistence, cannot be expected to possess the resources necessary for increasing the outturn of his crops by the addition of improved farming practices requiring capital. From this point of view it is desirable to take steps to prevent a further increase in the number of uneconomic holdings. It is true that the provision of employment alternative to the cultivation of land by the development of industries will provide a solution to the problem, but this does not remove the necessity of undertaking other remedial measures while industries are being developed. I think it is essential that the medium holding should be defined within certain broad limits and that legislation should be undertaken for the purpose of securing that the right to such a holding passes to a single heir, the excluded heirs being allowed a right of maintenance. I have no objection to holdings which are larger than a medium holding sub-divided under the present laws of succession, provided the subdivision does not result in the creation of holdings smal-

ler in size than the medium holding Even in respect of holdings which are smaller than a medium holding, I would extend the scope of impartibility to them" (Final Report, P. 259).

It is proposed then—

Firstly—that no holding shall be partitioned, gifted or devised or shall devolve on heirs in such a manner as to render any single share or portion allotted, gifted or devised to any co-sharer, donee or legatee or devolving on any heir less than six acres and a quarter in extent inclusive of any other land that he may be already possessing,

Secondly—if co-heirs cannot each get six acres and a quarter or more, then male co-heirs, and, as between male co-heirs, sons, and, as between those so entitled, the eldest ones in the descending order, shall be entitled to get the property and shall be liable to maintain till majority a minor heir or heirs, if any, that have been so excluded,

Thirdly—that a holding whose area is six acres and a quarter or less shall for ever remain impartible and shall be held absolutely and in severalty by the one person entitled for the time being

There are several other minor proposals subsidiary to the above All these proposals shall apply equally to all holdings whether old or coming into existence through State action under the scheme of acquisition

The principle that property should not be divided if by such division it is rendered incapable of use has been recognized, in regard to non-agricultural property, in the Partition Act of 1893, Section 2 whereof lays down that, whenever by reason of the nature of the property or of any other special circumstances, a division of the property cannot reasonably or conveniently be made, the court may direct a sale of the property and distribution of the proceeds One sees no reason why this prin-

ciple should not apply to agricultural holdings as well whose division into such units should be avoided as will preclude them from being used, cultivated or exploited properly or economically. Even now the devolution of the interest of an agricultural tenant is governed not by the personal law, which, particularly in the case of Mohamedans, prescribes too many heirs, but according to a special rule of succession (vide S 35, U P Tenancy Act, 1939). One of the objects of this departure from the personal law is obviously to avoid undue sub-division of the holding. This inroad into the sacred domain of personal law should be carried further in the larger interest of the country and its agriculture.

The Land Revenue Committee appointed by the Punjab Government in 1938 to find, *inter alia*, whether the land revenue system can be revised so as to give relief to small holders came to the conclusion that any scheme of exempting uneconomic areas from land revenue would be impracticable, one of the main objections being that such a scheme would give rise to fictitious partitions and increase the number of uneconomic holdings. The Committee approve in theory the suggestion that exemption should only be allowed if the holder's land (a) has been consolidated into a single field, (b) constitutes an economic holding, and (c) is declared impartible for ever. Exemption on these conditions, they say, would be in line with policy followed in Germany and Denmark.

By a law of 1891, further sub-division below 8 3 acres was prohibited in that part of Poland which was incorporated in Russia before the First Great War (1914-18). In 1893 a law was passed in Russia forbidding the private redistribution of nadial land, to prevent the sub-division of a single nadial into several diminutive holdings. In the northern part of Estonia properties of less than 5 3 ha are indivisible. In the case of small farms, the restriction of succession to one

of the heirs has been found necessary in Belgium, Czechoslovakia and Burma also. The Irish Congested Districts Board in re-settling the areas under its control re-arranged the estates which it transferred from the landlords to the occupiers in such a way as to abolish the old uneconomic farms.

In Rumania the 1921 Law decreed that land shall not be divided by inheritance below 2 ha in the lowlands and 1 ha in the mountains and hills (Article 120). In the second place each land-owner was given the right to leave the property, whatever be its area, to one of his heirs alone, the others being compensated by the new owner in money. Provision was made for the fixing of compensation in such a way as to prevent excessive obligations being incurred by the new owner. If the deceased failed to indicate an heir in this manner, and the division of the holding would conflict with the provisions of the previous article, the law empowered the judicial authorities to designate among the heirs one who would take over the holding on the conditions fixed by this Article (Article 127). Thirdly, small holders were empowered to leave the indivisible minimum to a single heir even if its value exceeded the individual's proportional share, and without obligation for the testator or heir to contribute the difference in money. A law of 1925 added that the small holdings could be bought and sold only to the full extent in which they were originally obtained. The Law of March 22, 1937, on the Organization and Encouragement of Agriculture, while making certain changes in the existing law, re-affirmed that agricultural properties not exceeding 2 ha may not be divided after sale or succession.

In Denmark the law on the subject took final shape in 1769, and it has remained in force ever since. Peasant holdings must not be let down. Their maintenance is defined as involving not only the physical maintenance of farm building, but also the maintenance of the neces-

sary farming stock and the employment thereon of the necessary labour. Moreover a farm is deemed to be let down if it so divided that the main block is insufficient to support a peasant family. All changes in the size of properties have, therefore, to be approved by the Minister of Interior. The maintenance without undue sub-division of the peasant properties is really brought about by the deeply-rooted sentiment of the the Danes who, like the peasant population of the German lands to the South, cling to the thought of the farm as being a unit which ought to pass without undue diminution to one of the sons. The excluded children are compensated by the new recipient, but in order to prevent his overburdening, the valuation laid down may be below the "true value", i.e., the price at which it could be sold. All small holdings created under the legislation referred to previously also pass undivided to a preferred heir.

In Germany too, the Nazis had taken action in pursuance of Article 7 of their manifesto of 1930 which ran—"A law of inheritance will be required to prevent sub-division of property". According to the Law of September 29, 1933, on Hereditary Peasant Holdings, which modified the previous laws on rural property and inheritance, all agricultural or forest properties capable of providing a living for a peasant family—which, in general, means properties not exceeding 125 hectares in area—are declared to be peasant holdings, and are entered in the Land Register as such, if they belong to persons entitled to the description of 'peasant'. The owners of hereditary peasant holdings are alone entitled to the appellation of peasant. Proprietors or possessors of any other agricultural or forestry undertaking are described as agriculturists. A hereditary peasant holding may not be divided on succession, but must pass as a whole to the eldest son or the nearest male relative, who must provide a living and an education to younger brothers

and sisters until they reach their majority Excluded co-heirs are, however, entitled to share in other property. There are about 700,000 of these hereditary peasant holdings, covering roughly half the total area of cultivated land in Germany. This law, in addition to confirming or re-enacting a previous law of June 8, 1896, re succession to, and indivisibility of, small peasant holdings created by the laws of 1886 and 1890-91, simply codified an ancient custom obtaining in extensive areas of Germany, amounting in all to some four-fifths of the whole country, in accordance with which land passed to a single heir, usually the eldest son, the co-heirs receiving compensation which, in general, was less than what each of them would receive, if the property was equally divided, and was calculated on the basis of earnings accruing from the undertaking, and not on that of its sale value.

In France, the peasant population has laid itself under a voluntary ban In an anxiety to avoid the splitting-up of his property among several heirs, the small holder tends to limit the size of his family, some of the districts where the fairly prosperous peasant owner or comfortable farmer predominates being those in which the birth-rate is the lowest. Still, legislation was found necessary, and a decree was issued on June 17th, 1938, declaring that an estate or estates forming an agricultural undertaking of less than 200,000 francs in value may be declared indivisible subject to certain specified conditions, despite the opposition of a joint owner or the parties entitled to benefit on his account The period of the declaration of indivisibility applied for may not exceed five years, but the declaration may be renewed until the decease of the surviving spouse or the coming of age of the youngest descendant The decree further gives certain exemptions from taxation to co-heirs in cases where it has been found possible to avoid the parceling of an estate or the division of an agricultural under-

taking. By the laws of March 31, and December 31, 1935, fiscal exemptions were granted on successions in the direct line of descent to small rural properties and artisans' properties not exceeding 50,000 francs in value. A decree of April 21, 1939, has extended these exemptions to the surviving spouse and has raised the value-limit of the exempted properties to 100,000 francs.

In our own country in the State of Bhavnagar which provides the best example of rural reconstruction yet carried out here, "the evil of sub-division of holdings tending to make them uneconomic will be more or less effectively stopped by the recent orders which prohibit both undue fragmentation and also transfer by sale or otherwise of a part of a holding when the area of such holding is less than a prescribed number of bighas"¹²

The question of questions, however, is —

What shall happen to the excluded heir and his rights in the patrimony? In Belgium, Denmark and certain other countries, the succeeding heir buys out the rest, if he cannot pay cash down, through the agency of mortgage-bonds, in Burma he has to pay the compensation in cash. In Rumania he has to pay nothing if the share that he receives is the indivisible minimum, in England, as we saw earlier, where the law of primogeniture prevails in regard to all landed estates, no compensation is paid to the younger brothers and sisters. In Germany the preferred heir has simply to provide a living and education to younger brothers and sisters until they reach their majority. We, too, propose that there should be no compensation, whatever, except that the successor should be laid under a statutory obligation to maintain the excluded minor heirs, if any, till they attain majority.

It may be said that the proposal is manifestly un-

¹² "Agricultural Debt Redemption And After in Bhavnagar State", 1937

just to the excluded heir, the reply is that it is based on three very good reasons, viz, firstly, that if the successor is required to pay compensation he shall have to incur debt which, as has been found by the Provincial Banking Enquiry Committee in the case of Burma, he will, in all probability, be not able to pay off during his lifetime unless he sells his holding to raise the amount. Secondly, that the reform is being advocated in national interest before which individual interest must yield, and there is no question of justice or injustice where the good of society as a whole is concerned. Thirdly, that, rather than have an economic holding divided between, say, two heirs and each of them starving or see an owner of an economic holding start his life with an incumbrance round his neck which he will not be able to shake off, it is far better to start one of the two as an owner of an economic holding free from handicaps and to put the other on his mettle. The father, lest his disinherited son fall into a lower economic class than that into which he has been born, will direct his efforts to equipping him as well as he can by training and education for his future career. The excluded heir, too, if he has any guts, will strenuously resist economic degradation and will do his best, aided or unaided, to qualify himself for the battle of life that lies ahead.

"I agree", says Sir Manilal B Nanavati in this connection, "that public opinion is likely to be opposed to my proposal on account of the adverse effect of such a change on the younger sons. It should, however, be possible to educate public opinion to appreciate the necessity for such a proposal in the permanent interest of the country. The proposal is not put forward as an alternative to a programme of industrial development which I consider essential. The proposal is, in fact, complementary to such a programme. It is complementary because it would compel the junior members of the families owning medium holdings to seek non-agricultural

employment at a time when the resources of the family are still adequate for giving them the necessary training as well as the means of support while they are seeking employment. It would prevent tendency to accept a gradual decline in living standards as inevitable, and help to arrest the drift towards indebtedness and ultimate insolvency which occurs when the family is outgrowing the land"¹³

Such excluded heirs will form the intelligentsia of India, they will fill the learned professions, man the higher services, provide the managerial and technical staff of large-scale industry and start small-scale industry all over the country-side. Those who cannot seize the opportunity, or have none, will find employment in the lower ranks of services or will be absorbed in cities and manufacturing centres as wage-earners. Still others are likely to turn farm labourers and it is a matter of common observation that, as often as not, an agricultural or farm labourer is financially better off than the owner of an uneconomic holding, for the former gets the full return of his labour and has not to incur the extra expenditure of maintaining a complete agricultural equipment. There is yet another way out, viz., by emigration to sparsely populated areas of the world, which, however, depends on the political status of our country and world conditions.

There is still another reason in favour of prohibiting division of holdings below a certain minimum. If consolidation of holdings is a desirable thing, as admittedly it is, then the time, energy and money spent on such consolidation shall have been spent in vain, i.e., compactness, once achieved, shall not last long, unless a complementary step is taken to check in the future this disintegrating

¹³ Final Report of the Famine Inquiry Commission 1945, pp 259-60

process, i.e., unless the present laws of succession are changed

In the end we may observe that continual subdivision of holdings has become an urgent national problem, it is not only ripe for remedy, but with passing time grows progressively more intractable. To lose time, therefore, in making up the mind what to do is, in the circumstances, simply criminal.

Before leaving the subject we must admit that a final or perfect remedy for the too small or uneconomic size of farm business is difficult to find, there may be much to be said against the remedy suggested in the preceding pages. Reclamation and colonization, however, seem scarcely the solution, since lands for such extensive colonization as would be needed are limited. Moreover, unless something is done to check the growth of population, colonization will do little permanent good. The same may be said of drawing men from the land to industry and professions. As industries develop and professions expand, a certain number of the country people will be absorbed into them, yet it can scarcely be hoped that sufficient numbers of them will be so absorbed as to relieve the agricultural situation for any considerable period of time. Nor does it seem very practicable in the present world conditions to emigrate to sparsely peopled parts of the earth. All these methods being temporary, the best future solution of the problem, therefore, would seem to lie in some method of population control.

While discussing the population problem, the Famine Commission (1945) has come to the conclusion that a rise in the standard of living is the primary means of checking the rate of population growth. All experience in other countries supports this conclusion. In India, as elsewhere, a fall in the birth-rate will tend to follow rather than precede economic betterment. The Indian middle classes have already begun to reduce their

families from prudential motives. At the present time, a deliberate state policy with the objective of encouraging the practice of birth-control among the mass of the population (e.g., by the free distribution of contraceptive devices) is, however, impracticable. For religious reasons, public opinion is not prepared to accept such a policy. Further, the low economic condition of the poorer classes and their lack of education, together with the factor of expense, seem to make the widespread encouragement of birth-control a practical impossibility. Another remedy suggested by the Commission is the postponement of the age of marriage which tends to lower the birth-rate, not only because it reduces the effective child-bearing period, but also because women are more fertile in their earlier years.

However taking all in all, there can be no better immediate solution of the problem of multiplication of uneconomic holdings in future than the one suggested here, viz., that the right to such a holding pass to a single heir and sub-division below a certain minimum be disallowed. These steps are to be coupled with more intensive methods of raising crops, improvement of land and the growing of crops that produce more food per unit of land. As for the existing uneconomic farms, co-operative farming coupled with small scale village industry is regarded by consensus of opinion as the best method of mitigating or even eliminating their evils.

CO-OPERATIVE FARMING

Co-operative farming, however, to this day, 'is little more than a phrase, which is seldom defined and is always vaguely understood'

One method recommended is wherein peasants' right to the ownership of their existing holdings shall remain intact, but cultivation operations would be carried on jointly, and, provided a majority of, say, two-thirds or three-fourths of the cultivators of a given village or

area agree to a merger, compulsion may be used against a refractory minority. "The expenditure would be met from a common fund and deducted from the gross income. The net income would then be distributed among the cultivators in proportion to the land belonging to each"¹⁴ The individual rights in land shall thus be converted into shares in a joint enterprise in a way. The cultivators shall be induced to merge their plots tentatively at first and, if success is assured, permanently. Thus advantages of large-scale production are sought to be attained without having to abolish the uneconomic holdings (for their identity shall remain, at least, on paper) or straightaway asking the owners to sacrifice their sense of pride in their lands. In this way the collective farm idea is sought to be adopted to Indian conditions.

But if farming operations are to be carried on jointly, how will work be distributed and how differences in individual performance are to be provided for? And how will functions be evaluated? Will these questions be answered as they have been in Russia? The idea is not very clear and we do not know whether this system has been successfully demonstrated anywhere in the world, but as it means pooling of property for the purpose of all the work of production, we are afraid it must ultimately gravitate towards the kolhoz—which will be a consummation to be devoutly avoided. It should not be forgotten that once a system of production of the type above mentioned is established, it offers a short, tempting cut to centralized control to a future Indian Stalin. "Control" may be the solution of the problem, but then we should know what we are aiming at, for the solution can be realized only by the total sacrifice of

¹⁴ "Memorandum on the Development of Agriculture and Animal Husbandry, 1944" Imperial Council of Agricultural Research

the individual

It may not be out of place to mention here that, although the communists are fond of calling the kolhoz a Producers' Co-operative, it is not a co-operative organization in the accepted sense of the term. The members of a Soviet producing co-operative possess no personal and inalienable rights in the property of the organization, they can be deprived of membership and packed off at any moment, their remuneration consists of whatever net income remains after the State has taken its share. It is the State which regulates what crops shall be sown and what prices shall be paid for them, the members of the so-called co-operative have no voice. The kolhozniki can at best be called working co-partners or share-croppers with the State in an agricultural enterprise in which the State provides the capital.

As has been pointed out before, land shall not produce more—at least, materially more, if we take conservation of moisture and destruction of weeds into account that deep ploughing implies—simply because it is ploughed by a tractor in large blocks, instead of by a simpler instrument or in small plots by animal labour. Production being a biological process, mere use of machinery or concentration of property will not enhance it, and, in addition to facilities of marketing, the main advantage of large-scale farming is saving of labour which is not our aim here in India. It is abundant water, application of manures, preferably organic, and use of other "modern chemical discoveries", improved varieties of seed and measures for control of pests and diseases, and the ability or personality of the farmer that affect actual production per acre, not the use of 'mechanical inventions' which the advocates of joint farming have largely in view. The application of scientific methods to the culture of soils and the processes of agriculture has given very high yields—higher than mechanization or collectivisation has made possible in the land of Soviets—in

Belgium and Holland where small holdings are the rule. Tractors and machinery may with advantage be employed only in the eradication of deep-rooted weeds like *Kans*, *bnankhuri* and *motha*, in opening up and colonization of new areas, i e., in bringing cultivable, but hitherto uncultivated, wastes under cultivation or in clearing land originally under jungle and in anti-erosion works, but not to make the soil yield a large output which it otherwise would not. They are redundant and uneconomic in areas where intensive cultivation is already being practised. Introduction of co-operative methods *in all other aspects* of the economic life of the cultivator is, however, to be welcomed, rather, it is "the best hope of India", as the Royal Commission on Agriculture put it. It is the surest guarantee against the exploitation of the peasants' ignorance and isolation, as also the best method of bringing the results of scientific research to the door of every peasant.

Peasants can join forces with their neighbours and organize co-operative banking and credit, mutual insurance work against loss of cattle or losses by frost and hail and against other farmers' risks, co-operative dairies and stock-raising societies, co-operative societies for land improvement, drainage and irrigation, co-operative use of agricultural machinery, etc. It is, however, in the improvement of marketing facilities, i e., facilities for purchase of requirements (including improved seeds, improved agricultural implements or even machines, scientific manures or fertilizers and domestic supplies) and sale of produce—according to Adam Smith, "the greatest of all agricultural improvements"—that a co-operative society offers its members the technical advantages of a large-scale undertaking in the largest measure. Co-operative selling enables the farmer "to save time for other duties, to enjoy a wider market, to sell a properly graded product and thereby gain the benefit of a better price, to obtain the necessary financial facilities

which will enable him to spread his sales over a period of twelve months instead of disposing of his products immediately after harvest and, finally, therefore, to enjoy a wider market also in respect of time"¹⁵

Some sort of cottage industry (i.e., poultry, bees, silk-worms, textiles, embroidery or lace-work) may also be run co-operatively or even individually by agriculturists to keep the adults engaged during the off-season and also to afford an opportunity to the women-folk and children to contribute to the joint income. The raw materials can be provided at an advantageous price through collective purchase. Similarly the finished products can be sold at an advantageous price in a suitable market through joint sale.

That small-scale industry can hold its own at least in some spheres against large-scale industry admits of no doubt. Pointing out the advantage of handicrafts over specialized industry on a factory-scale, Lewis Mumford, the American sociologist, says —

"And there is still a further reason to give an important position to the handicrafts and machine-crafts, as subsidiary forms of production, run on a domestic scale. For both safety and flexibility in all forms of industrial production it is important that we learn to travel light. Our specialized automatic machines, precisely because of their high degree of specialization, lack adaptability to new forms of production: a change in demand, a change in pattern, leads to the whole-scale scrapping of very expensive equipment. Wherever demand for products is of an uncertain or variable nature, it is an economy in the long run to use non-specialized machines, this decreases the burden of wasted effort and idle machinery"¹⁶.

¹⁵ *"Economics of Agriculture"* Van Der Post, p. 399

¹⁶ *"Technics and Civilization"*, p. 416

We may point out here that Marx's original prediction that the class struggle would be fought out on strict class lines between an impoverished international proletariat and an equally coherent international bourgeoisie was falsified by two unexpected conditions, one being the growth of the middle classes and the *small industries* which instead of being automatically wiped out showed unexpected resistance and staying power (the other being the new alignment of forces between country and country, which tended to undermine the internationalism of capital and disrupt the unity of the proletariat)

Small industry enjoys one peculiar advantage over big industry brought to light by the Second World War. The latter provides safe target to aerial bombing by the enemy, resulting in dislocation and destruction of the entire economy of the nation while small industry can be carried on undetected throughout the country-side. It was this discovery which enabled China in a large degree to brave the onslaught of Japan. Chinese Industrial Co-operatives established during the last War will give a new direction to industry throughout the world.

The State will, however, have to demarcate the sphere of large industry and restrict its operation beyond certain limits so that small industry, almost crushed out of existence in India to-day, may have an exclusive field in which to develop and consolidate itself. One criterion may be suggested here, viz, that only those industries shall be allowed to be carried on, on factory scale which cannot be run in small workshops or as handicrafts on domestic scale. For example, big existing textile mills should be scrapped or at best converted into mere spinning mills which will supply yarn to weavers. This step alone will give employment to twenty-five times the number of workers employed in these mills to-day—dispersed in their homes all over the country, masters of their time, and liberated from the choking

atmosphere of slums and over-crowded cities. Thus protected, the weavers of India will soon recover their old skill which was once the wonder of the world. The reader may be informed here that in ancient days the art of weaving was practised in India, for the most part, by cultivators as subsidiary occupation, particularly in Bengal and Bihar, in their off-seasons of agriculture.

Our aim should, therefore, be to set up a comprehensive co-operative organization of *independent peasant producers*, to perform the functions which can be done satisfactorily only on a fairly large scale (and to carry on subsidiary industry), and not to establish big undertakings which are unnecessary in agriculture where it is land that contributes more, if not almost wholly, than machinery to the product. It is such a system that is called "Co-operative farming" by most persons.

The distinguished European thinker, Count Coudenhove-Kalergi in his "Totalitarian State Against Man", has suggested the establishment of "Agricultural Co-operatives" as a final and lasting solution of all the ills of the war-weary world. Discussing the need for an 'economic revolution', he observes —

"It demands a free economic system and operation. Its aim is the creation of the greatest possible number of *independent existences* bound together by the principle of co-operation. It rejects both economic anarchy and collectivism. Its model is to be found in the Agricultural Co-operatives, which combine all the advantages of private property with the spirit of brotherhood and reciprocal aid"¹⁷

According to the Woodhead Famine Commission also, the future development of agriculture in the case of small and medium farmers depends in a considerable measure on the organization of these classes into multi-purpose village co-operative societies. That is, we have

¹⁷ Quoted in "Gandhian Plan" at p. 470

to organize the Agrico (agricultural co-operative) as the prototype of Chinese Indusco in agriculture

Agriculture is the most individualistic industry, but the Indian peasant, in spite of his intense individualism, has inherited certain co-operative instincts. For example, sugarcane pressing, well or tank irrigation, provision for drinking water, drainage, cultural centres, etc., can never be individual enterprises in a community of small cultivators that rural India has always been, therefore, cost and responsibility of such works have been shared in common from time out of mind. Ploughing and harvesting in groups and cultivation of crops according to a pre-arranged plan are still common features of our villages. Our panchayats, which simply grew and were not super-imposed, were the finest expression of the co-operative principle. The traditions still survive, if not the form. Introduction or reintroduction of voluntary—or even semi-voluntary—co-operation, therefore, will strike the deepest chords of our rural life, and will be in perfect accord with our heritage. We should, however, beware of pitfalls, co-operation in agricultural production, through and through, involving inevitable pooling of property, is foreign to the soil, history and agricultural economics do not confirm it and the experience of other lands so far has not been encouraging.

CONCLUDING REMARKS

In conclusion, it must be realized that reform of the system of land tenure alone, though of the forces contributing to the well-being of the agricultural industry in any country it is the most important, does not promise a final solution of the agrarian problem of the country, it will not usher the millenium for the peasant. The agricultural problem is vast and complex and has to be attacked on many fronts. The abolition of zamindari is only a beginning in a comprehensive plan for agri-

cultural development. It "should be followed", says the Bihar Government in its reply to the questionnaire of the Famine Inquiry Commission (1945), "by large-scale re-organization of agriculture including co-operative farming, large-scale irrigation and intensive and widespread application of all well-known methods of agricultural development, besides providing outlets for agricultural labour. There should also be extensive education, health and other facilities and amenities and the huge loss of wealth and capital caused by epidemic among men and cattle must be prevented. The increased resources of the State should render all these possible." In addition to the land system, the British Agricultural Tribunal of Investigation enumerated the following factors as responsible for the farmer's prosperity —

A The fiscal organization of the country and in particular the assistance to agriculture by tariffs or subsidies

B. The system of general education and the special provision for agricultural education and research

C The economic organization of the industry and in particular the development among farmers of co-operative methods of purchase and sale, co-operative credit and co-operative insurance

D The institution of schemes for the improvement of livestock and crops, the standardization of produce and the control of weeds and vermin

E The organization of transport, the provision of power and wireless, the assistance of subsidiary rural industries and the development of afforestation

F The development of State or voluntary organization to provide the necessary central and local machinery for carrying out the various measures of agricultural policy

The State will have to bend its energies in all these directions if it is in earnest. "If the inertia of centuries is to be overcome", says the Report of the Royal Com-

mission on Agriculture (1928), "it is essential that all the resources at the disposal of the State should be brought to bear on the problem of rural uplift. What is required is an organized and sustained effort by all those departments whose activities touch the lives and surroundings of the rural population".

But reform of the land system should take precedence, it is necessary and urgent as it is the first, indispensable step in relieving the peasant and giving him breathing space. It alone will lay the foundations of rural re-construction and of a democratic state. "In the Europe of the nineteenth century, the reconstruction of the fabric of the land system preceded the modernization both of production technique and of the business side of farming; nor, in the absence of the first, would the two last have been possible"¹⁸. We are at least half a century behind the times. The Tenancy and Debt Acts are good as far as they go, time is now ripe for the State interference to be extended still further and for a large effort to be made to establish peasant proprietorship and to maintain it. Shall we take the final step and release the peasant from his bondage once and for all?

As an appendix the reader will find a model bill intended to give shape to most of the ideas put forth in the preceding pages. It is a very sketchy thing, the provisions are merely illustrative; much may have to be changed and much else added.

¹⁸ R. H. Tawney "*Agrarian China*", p. 18, quoted by Nana-vaty, p. 318.

APPENDIX

Below is given a model bill for giving legal shape to the proposals enunciated in the last three chapters—

The U P Land Utilization Bill, 194

Preamble—Whereas it is expedient in public interest that agricultural land may be possessed only by him who is prepared to cultivate it himself and thus cease to provide an unearned income for the big owner or a middleman, that it may be prevented from further subdivision into uneconomic holdings and that it be otherwise better utilized or administered, it is hereby enacted as follows —

CHAPTER I

Preliminary

- (1) This Act may be called the U P Land Utilization Act, 194
- (11) It shall come into force throughout the United Provinces on its publication in the Provincial Gazette

In this Act unless there is anything repugnant in the subject or context—

- (1) The expressions "Agriculture and cultivation" shall include horticulture and the use of land for any purpose of husbandry, inclusive of the keeping or breeding of live-

stock, poultry or bees, and the growth of fruits, vegetables and the like.

- (ii) The expression "Land" means land which is occupied or let or can be used for agricultural purposes or for purposes subservient to agriculture, or for pasture, and includes—
 - (a) except in a town or village, the sites of buildings and other structures on such land,
 - (b) all trees standing on such land, and
 - (c) any interest in, or, right or easement in or over, such land
- (iii) "Revenue" means land revenue, and includes revenue assessed only for the purpose of calculating the local rate payable under the U P Local Rates Act, 1914
- (iv) "Rent" means whatever is, in cash or kind, payable on account of the use or occupation of land or on account of any right in land
- (v) "Tenant" means a person who holds a heritable holding, and by whom rent is, or but for a contract, express or implied, would be payable to the land-holder
- (vi) "Holding" means a parcel or parcels of land recorded as sir, cultivated as khudkasht or held by a tenant
- (vii) "Sale" means sale, whether by private agreement or by auction, and includes "mortgage by conditional sale" as defined in the Transfer of Property Act, 1882
- (viii) "Gift" does not include a gift for a religious or charitable purpose whether made inter vivos or by will

CHAPTER II

Creation and Maintenance of Peasant Proprietary

3 A person shall, on application to the Collector in this behalf, be declared the proprietor of the land he holds as tenant, or of so much land as he holds as sub-tenant, whether of a sir-holder or a tenant, and as is left after reserving an area of fifty acres, both proprietary and tenancy, to his immediate landlord, on depositing to the credit of the land-holder, either in the court of the Collector along with his application a sum equal to three times the annual rent, or, in the Tahsil, a sum equal to one and a half times such rent continuously for five years any day before the agricultural year expires

4 A tenant may, after surrendering one-fourth area of his holding, be declared proprietor of the remaining area provided such area is not less than six acres and a quarter

5 A Collector may, *suo motu* or on the application of any person, after giving a notice of one year if he so deems fit, appropriate in the name of the Government, upon payment of a sum equal to fifteen times the revenue, or if it is held by a tenant, equal to six times the rent, to be divided half and half between the land-holder and the tenant, land which is held or cultivated by a person as sir or khudkasht or as a tenant in excess of fifty acres, or which, at the date of application or notice, has been lying waste or in a seriously neglected condition or has not been cultivated for the last two years, or of which such use is, owing to whatever cause, not made as it is capable of or as it may have been reserved for The notice shall, in the latter case, vacate if the owner or holder shows to the satisfaction of the Collector that he has been making a proper use of the land or that he had made such use thereof within the period of the notice

Provided that—

(a) Where the land so acquired is to be reserved for common pasture, the price may be calculated at ten times instead of fifteen times the revenue

(b) Payment of price of land, if it comes to over Rs. 1,000, may, in the alternative, be made in State Bonds bearing 3% interest per annum and payable in sixty years.

(c) Corporate persons may be paid in perpetual bonds

(d) The holding from which the land is severed for sale shall not be reduced below fifty acres, nor shall the severance depreciate in value the land left with the original owner or tenant

(e) A land-owning or cultivating joint Hindu family shall be treated as one person if it consists of father and sons.

(f) No land shall be acquired by an order under this section which at the date of the order forms part of any garden or is otherwise required for the amenity or convenience of a dwelling-house or which at that date is the property of any local Authority or has been acquired by any corporation or Company for the purpose of a canal, road, railway or other public undertaking or manufacture or other object of archaeological interest.

6 (1) All leases are void *ab initio* except when the lessor is a widow, a minor whose father is dead, a lunatic, an idiot, a recognized credit association or institution by which a usufructuary mortgage-debt might have been advanced, or a person incapable of cultivating by reason of blindness or physical infirmity or because he is confined in jail or is in the military, naval or air service of the country.

Provided that in the case of a holding held jointly by more persons than one the provisions of this sub-

section shall not apply unless all such persons are of one or more of the descriptions specified

(ii) A lease which would be void but for the provisions of sub-section (i) shall in no case remain in force for more than three years after the lessor is dead or ceases to come within the descriptions specified therein or for more than one year after the mortgage-debt has been paid off. After the termination of a lease, the lessee shall be treated as a rank trespasser

(iii) Land leased in contravention of sub-section (i) shall be forfeited to the State without compensation.

7 If a proprietor desires to sell his land, unencumbered by debt or tenant rights, to the State, the State will be under an obligation to purchase such land at fifty to hundred times the revenue payable thereon and pay the proprietor in cash

8 The land acquired under section 5, confiscated under section 6 or purchased under section 7, and not meant for pasture, shall, after it has been reclaimed, if necessary, or so treated or such work has been executed thereon by the Government, as will enable it to be satisfactorily and economically used for agricultural purposes, be sold out on application, on payment of the price at which it has been acquired and of the cost of reclamation, if any, in the manner and subject to the conditions following—

(i) No land shall be sold to a person who might at the date of application be an heir, by rule of survivorship or otherwise, to a holding of six acres and a quarter or more in extent

(ii) Land shall be sold to applicants in the following order —

- (a) Persons who on the date of sale cultivate less than six acres and a quarter in the village, land whereof is to be sold, or in the village adjoining thereto

- (b) Persons who on the date of sale do not cultivate any land and are unemployed and unable to obtain any suitable employment or are agricultural workers or have been members of the Indian Army, Navy or Air Force and who have satisfied the Collector that they will themselves cultivate the land and are able to cultivate it properly
- (c) Persons who on the date of sale cultivate six acres and a quarter or more

Provided that—

- (1) As between persons belonging to the same class, preference shall be given to those applicants who reside in the village in which the land to be sold is situated
- (2) No applicant shall be sold less than six acres and a quarter of land or more than twelve acres a half inclusive of the land, if any, that he may already be cultivating as an owner or a tenant

9. If the purchaser cannot pay the money, or any part of it, that he may be liable to pay under section 8, it shall be secured by a charge on the purchased land in favour of the Government, and shall either be repaid by half-yearly instalments of principal with 3 per cent. interest per annum and within such terms not exceeding sixty years from the date of the sale, as may be determined by the Collector, or shall, if so stipulated, be repaid with such interest and within such time as aforesaid by a terminable annuity payable by equal half-yearly instalments. The amount for the time being unpaid may at any time be paid, and any such terminable annuity may at any time be redeemed, in accordance with the table fixed by the Government.

10 Money for the purchase of live-stock, feeding-stuffs, seeds, fertilizers and implements required for

the purpose of cultivating the land purchased under section 8 may also be advanced by the Collector as may be prescribed by the rules made in this behalf

11 (i) If land acquired by a tenant under section 3 or by the Government under section 5 is subject to a mortgage or a charge, the creditor shall be paid that part of the debt or charge which attaches to the expropriated area, in cash or in bonds as the case may be, and the money shall be payable out of the compensation due to the proprietor. If the debt exceeds the value of the purchase money which the proprietor is to receive, the remaining debt shall become a charge on that part of the property, if any which the proprietor retains

(ii) If land confiscated under section 6 is subject to a mortgage or charge, the State shall pay to the mortgagee or charge-holder such debt or charge to the extent of fifty times the revenue on such land, and no more.

Provided that nothing in this section shall apply to a charge for maintenance which shall not be extinguished by acquisition or sale and shall run with the land

12 Land shall be attached, mortgaged or auctioned for debt only if it has been advanced by the State or credit associations and institutions recognized by the State

13 No expropriatory rights of occupancy, as defined in the U P Tenancy Act No XVIII of 1939, shall vest in a proprietor if he sells his land or it is confiscated by the State under sub-section (iii) of section 6, or sold in execution of a decree of a court

CHAPTER III

Regulation of the Size of Holdings

14 Notwithstanding anything to the contrary in the U P Tenancy Act, 1939, a holding may be parti-

tioned or sold under this Act and gifted, or devised, to his heirs.

15 Land shall not be gifted or devised to, or purchased by, a person so as to make his holding larger than twelve acres and a half.

16 A person may, except for purposes of an industry (other than agriculture) and with the permission of the Collector, sell or let only either the whole of his land if it is less than six acres and a quarter in extent, or in lots thereof each not less than six acres and a quarter in extent, or to persons whose holding would amount to six acres and a quarter or more in extent when the land sold or let is included.

17 Notwithstanding any law or custom to the contrary a holding shall, after the commencement of this Act, be partitioned among members of a joint Hindu family, gifted or devised, or shall devolve on heirs in such a manner as to render each single share or portion thereof allotted, gifted or devised to a member, donee or legatee or devolving on a co-heir at least six acres and a quarter in extent inclusive of any other land, if any, that the member, donee, legatee or co-heir may already possess as an owner or a tenant

18 If co-heirs to an undevised estate cannot each get six acres and a quarter or more, inclusive of the land they may already possess, then male co-heirs, and, as between male co-heirs, sons, and, as between those so entitled, the eldest ones in the descending order, shall be entitled to get the property, and the other co-heirs will get the property in the above order only if and when the co-heirs so entitled refuse to take it

19 (1) The co-heirs, who get the property under section 18, shall be liable to maintain till majority a minor heir, if any, who would have got a share but for this Act. The maintenance shall be a 'charge' on the holding within the meaning of the Transfer of Property Act, 1882.

(u) On sale for default in payment of maintenance, the excluded heir shall have a preferential right of pre-emption, notwithstanding anything to the contrary

20 A holding whose area is six acres and a quarter or less shall for ever remain impartible and shall be held absolutely, and in severalty by the one person entitled for the time being

21 Sale, partition, gift, will or lease or any other kind of transfer or agreement purporting to provide for the cultivation or occupation of a holding or land or any part thereof in contravention of the provisions of, or intended in any other way to defeat the intention of, this Act, shall be null and void, and the Collector may, suo motu or on the application of a person, summarily evict any such transferee or any one so in possession

22 Notwithstanding anything aforesaid, no restriction shall be placed on partition, transfer or devolution of farm-yards, mansion-houses, orchards, plantations, gardens and the like

CHAPTER IV

23 In areas that may be notified in the Gazette the Government may substitute any figure for six acres and a quarter and for fifty acres wherever used in this Act

24 The powers conferred by this Act on the Collector may be exercised by any other Revenue Officer empowered by the Government in this behalf

25 An appeal shall lie to the District Judge against an order of the Collector passed, or any act done by him, under this Act which shall not, however, be questioned otherwise in any other civil court.

26 The Government may frame rules for carrying out the purposes of this Act

1862

